

SEC: SB: 31388

31 December, 2018

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

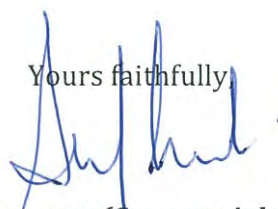
The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata – 700 001

Dear Sirs,

Annual Report – 2017-18

We enclose herewith, a copy of the Annual Report for the financial year 2017-18, as required under Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, duly approved and adopted by the members as per the provisions of Companies Act, 2013.

Yours faithfully,



General Manager (Secretarial & Estates)

Encl:

CC: National Securities Depository Ltd.
Trade World, 4th Floor
Kamala Mills Compound
Senapati Bapat Marg
Lower Parel
Mumbai – 400013

CC: Central Depository Services (India) Ltd.
Phiroz Jeejeebhoy Towers
28th Floor, Dalal Street
Mumbai - 400023



ANNUAL REPORT 2017-2018

Board of Directors

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

Company Secretary

Subhasis Mitra

Auditors

S. R. Batliboi & Co. LLP

Solicitors

Khaitan & Co.
 Sandersons & Morgans

Registered Office

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

Bankers

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

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Chairman's Letter

Dear Shareholder,

This letter is in two parts. In the first, I will brief you on the demerger proposal that I had touched upon in my letter last year, which you may have been subsequently informed of through news items and other reports. And in the second, I will share with you the performance of CESC Limited and its subsidiaries for the year 2017-18.

Demerger

Your Company has nurtured many dynamic businesses over the years, whose intrinsic values were not coming into the fore under the overall canopy of CESC. This was the reason why your Board of Directors on 18 May 2017 approved a restructuring plan to demerge the large businesses into four separate entities: (i) power generation, (ii) power distribution, (iii) retail, and (iv) other businesses. The rationale for this move is to unlock shareholder value, provide greater flexibility in accessing capital and to prepare focused strategies for growth across the different entities.

As per the proposal, for every 10 CESC shares held, a shareholder would get five shares of the power generation arm, five of the distribution company, six of the retail firm and two of the entity which will hold the residual business. All four would be listed entities.

Your Company obtained the necessary clearance from SEBI and stock exchanges. After that, a draft Restructuring Scheme was submitted with National Company Law Tribunal (NCLT), Kolkata Bench in September 2017. Under the NCLT's directions, a meeting of your Company's equity shareholders was held on 15 December 2017. In this meeting, an overwhelming majority of shareholders approved the draft Scheme. Thereafter, on 28 March 2018, NCLT passed an order sanctioning the Scheme with a direction that the part of the Scheme providing for demerger of CESC's generation undertaking shall be effective upon obtaining approval of the West Bengal Electricity Regulatory Commission (WBERC) to the Power Purchase Agreement between CESC and the generation undertaking proposed to be demerged.

Your Company made an application in April 2018 seeking WBERC's approval. At the time of writing this letter, the approval is awaited.

Subsequent to the receipt of the certified copy of the NCLT order on 5 October 2018, your Board of Directors, in its meeting held on 12 October 2018 decided to file it with the Registrar of Companies and make the Scheme effective, except for Part III, Part IX and Part XII (Section 1) relating to the demerger of CESC's generation undertaking, which would become effective after receipt of the above approval from WBERC to the Power Purchase Agreement.

Accordingly, every shareholder of the Company will receive 6 (six) shares of RP-SG Retail Limited and 2 (two) shares of RP-SG Business Process Services Limited for every 10 equity shares of the Company

held by such shareholder on 31 October 2018, the Record Date.

Business Performance

When describing the business performance of your Company in my last year's letter, I had written, "The business hummed along, without any upheavals, downturns nor negative surprises". This is exactly true for 2017-18, and the numbers show this in no uncertain terms.

- At a standalone level, the total income (including other income) of your Company grew by 8.1% to ₹ 7,954 crore in 2017-18. At a consolidated level, it did better still — growing by 22.5% to ₹ 10,527 crore.
- Standalone profit after taxes (PAT) for 2017-18 stood at ₹ 862 crore. Consolidated PAT increased by 20.4% to ₹ 975 crore. Consolidated PAT after non-controlling interest rose by over 32% to ₹ 913 crore.
- Standalone earnings per share (EPS) for the year was at ₹ 65.01 in 2017-18 versus ₹ 65.09 in 2016-17. Consolidated EPS grew from ₹ 52.12 in 2016-17 to ₹ 68.85 in 2017-18.

These results have been on account of several operational successes. Let me share some. Further details can be found in the chapter on Management Discussion and Analysis in the Annual Report.

- *Thermal power generation* : On a standalone basis, your Company operates three generating stations at Budge Budge, Southern and Titagarh. During the year, combined generation for the three stations was 6,337 MU (million units). Of this, Budge Budge alone generated 6,033 MU, recording its highest level of generation. This was also the fourth highest PLF among all thermal plants in India in 2017-18. I am delighted that Budge Budge received the award for "Best Performing Utility in Thermal Power Sector" from Central Board of Irrigation and Power. Haldia Energy Limited, a 100% subsidiary of your Company, operates 2 x 300 MW coal fired thermal power plants at Haldia in West Bengal. In 2017-18, it achieved an outstanding plant availability factor of nearly 98% and a PLF of 86%. It also received several industry awards in the year for excellence in quality systems, health, safety and environment.
- *Power distribution in the Kolkata and Howrah licensed area*: CESC supplies cost-effective and reliable electricity to over 3.2 million customers across 567 square kilometres. During 2017-18, it added around 74,000 customers; and the average time taken to provide a new connection was one to two days. Among several initiatives, some 2.5 lakh meters were installed in the course of the year; in space-starved urban zones, extra high voltage outdoor substations were converted to indoor GIS substations; smart metering was deployed in several parts of the area, including remote metering of its both its consumers

Chairman's Letter

and distribution transformers. There has been a rapid spread of digitisation in billing and payments, customer contact, helped by a bouquet of e-services and an upgraded mobile app.

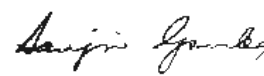
- *Wind and solar* : There are four wind projects: one each in Rajasthan and Madhya Pradesh and two in Gujarat. All four projects are running successfully. During 2017-18, their combined generation was over 234 MU, and combined supply of electricity stood at almost 223 MU. The Company's venture into solar power has been in Tamil Nadu. The plant has been operating profitably since its first full year of operation in 2016-17.
- *Distribution franchisees* : At present, the Company has three operating distribution franchisees in Rajasthan — for Kota, Bharatpur and Bikaner. The three have a combined customer base of 4.2 lakh that accounts for energy consumption of around 2,100 million units per year, and translates into a revenue of some ₹ 1,300 crore per annum.

We expect the implementation of the Scheme in respect of the non power businesses will unlock value in retail, FMCG and IT services.

We also expect the WBERC approval to come, sooner rather than later. When it does, we will put the complete demerger Scheme into effect. With the consequence that each shareholder of the Company will become an equity holder of four different listed entities — a move that ought to generate greater value for all of you who have shown so much loyalty and faith in CESC. You certainly deserve this.

With my best regards,

Yours sincerely,



Sanjiv Goenka
Chairman

14 November, 2018

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 Fortieth 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, 21 December, 2018 at 3 PM** for the following purposes:

1. To receive, consider and adopt the audited financial statements for the year ended 31 March 2018 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 @ 120% (i.e., ₹ 12/- per share) already paid for the year ended March 31, 2018.
3. To appoint a Director in place of Mr. Sanjiv Goenka (Director Identification Number 00074796) who retires by rotation and, being eligible, offers himself for reappointment.

SPECIAL BUSINESS

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

4. AS A SPECIAL RESOLUTION

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Chandra Kumar Dhanuka (Director Identification Number 00005684) be reappointed as an Independent Director of the Company, not liable to retire by rotation, for a further period of five years with effect from 1 April, 2019.

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

5. AS A SPECIAL RESOLUTION

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Ms. Rekha Sethi (Director Identification Number 06809515) be reappointed as an Independent Director of the Company, not liable to retire by rotation, for a further period of five years with effect from 30 May, 2019.

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

6. AS A SPECIAL RESOLUTION

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. K. Jairaj (Director Identification Number 01875126) be reappointed as an Independent Director of the Company not liable to retire by rotation, for a further period of five years with effect from 1 August, 2019.

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

7. AS A SPECIAL RESOLUTION

RESOLVED THAT pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended, effective from 1 April, 2019, approval of shareholders of the Company be and is hereby granted to the Company continuing the directorship of Mr. Pradip Kumar Khaitan (Director Identification Number 00004821) in the capacity of a non-executive Independent Director, not liable to retire by rotation.

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

8. AS AN ORDINARY RESOLUTION

RESOLVED THAT Mr. Rabi Chowdhury (Director Identification Number. 06601588) be and is hereby appointed a Director of the Company.

9. AS AN ORDINARY RESOLUTION

RESOLVED THAT Mr. Debasish Banerjee (Director Identification Number. 06443204) be and is hereby appointed a Director of the Company.

10. AS A SPECIAL RESOLUTION

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification or any reenactment thereof) and subject to the approval of the Central Government if required, and subject also to such other approvals as may be

necessary, the Company hereby approves the appointment of Mr. Rabi Chowdhury (Director Identification Number 06601588) ("Mr. Chowdhury") as Managing Director (Generation) of the Company for a period of five years with effect from 28 May, 2018 till 27 May, 2023 on the terms and conditions contained in a letter to be issued to Mr. Chowdhury in terms of the draft placed before the meeting.

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

11. AS A SPECIAL RESOLUTION

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder (including any statutory modification of any reenactment thereof) and subject to the approval of the Central Government if required, and subject also to such other approvals as may be necessary, the Company hereby approves the appointment of Mr. Debasish Banerjee (Director Identification Number 06443204) ("Mr. Banerjee") as Managing Director (Distribution) of the Company for a period of five years with effect from 28 May, 2018 till 27 May, 2023 on the terms and conditions contained in a letter to be issued to Mr. Banerjee in terms of the draft placed before the meeting.

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

12. AS A SPECIAL RESOLUTION

RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Article 91 of the Articles of Association of the Company and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and subject to such permissions, sanctions and approvals, if necessary, consent of the Company be and is hereby accorded for continuing with the payment of commission to the Directors who are neither in the whole time employment of the Company nor its managing director at a rate not exceeding three per cent of the net profits of the Company computed in the manner stated in Section 198 read with Section 197(1) of the Act subject to the total managerial remuneration not exceeding eleven per cent of the net profits for any financial year, to be distributed amongst the said Directors in such manner as the Board of Directors of the Company ("the Board") and / or Nomination & Remuneration Committee constituted by the Board may from time to time determine AND THAT the said commission be paid in addition to the fee payable to the aforesaid Directors for attending the meetings of the Board or any Committee thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board and / or Nomination & Remuneration Committee of the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.

13. 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) Bank of Baroda (BOB) for two term loans aggregating ₹ 500 crores;
- (b) HDFC Bank Limited (HDFC) for a term loan of ₹ 125 crores;
- (c) ICICI Bank Limited (ICICI) for a term loan of ₹ 200 crores;
- (d) Kotak Mahindra Bank Limited (KMB) for a term loan of ₹ 100 crores;
- (e) Punjab and Sind Bank (PSB) for a term loan of ₹ 200 crores;
- (f) Central Bank of India (CB), DBS Bank Limited (DBS), IDFC Bank Limited (IDFC), KMB, Punjab National Bank (PNB), and RBL Bank Limited (RBL) for their incremental share of ₹ 25 crores, ₹ 100 crores, ₹ 100 Crores, ₹ 50 crores. ₹ 25 crores and ₹ 103.65 crores respectively in the working capital facility extended to the Company by a consortium of the said working capital bankers;

to secure the said term loans and working capital facility together with interest, charges, expenses, front-end fees and all other monies payable by the Company to BOB, HDFC, ICICI, KMB and PSB (collectively referred to as 'the Term Lenders') and CB, DBS, IDFC, KMB, PNB and RBL (collectively referred to as 'the Working Capital Bankers') in terms of their 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 Term Lenders and the Working Capital Bankers so that the mortgage and / or charge may be created by the Company over and in respect of its properties in their favour, either singly or collectively, in such form and subject to such prior charges or with such pari passu or subservient ranking of charges as may be decided by the Board in consultation with one or more of the said Term Lenders and the Working Capital Bankers.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize and execute with all or any of the Term Lenders and/or the Working Capital Bankers all such deeds and

documents for creation of the charge and / or mortgage and to do all such acts deeds and things as may be deemed necessary by the Board for giving effect to the aforesaid Resolution.

14. AS A SPECIAL RESOLUTION

RESOLVED THAT, in modification of the Special Resolution passed by the Company in terms of Section 180(1)(c) of the Companies Act, 2013 at the Thirty-sixth Annual General Meeting held on 30 July, 2014, consent of the Company be and is hereby accorded to the Board of Directors of the Company (the Board) for borrowing from time to time any sum or sums of monies on such terms and conditions as the Board may deem requisite or proper for the purpose of the business of the Company and remaining outstanding at any point of time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) up to a sum not exceeding ₹ 6,500 crores, AND THAT for the purpose of implementation of this Resolution, the Board may act through any member thereof or any other person duly authorized by the Board in that behalf.

15. 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 2019, 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, 14 November, 2018.

NOTES :

1. The Register of Members of the Company will remain closed from 14 December, 2018 to 21 December, 2018 both days inclusive.
2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the time for holding the Meeting.

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

3. Corporate Members intending to depute their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of relevant Board Resolution together with respective specimen signature(s) of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
4. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business under items 4 to 15 of the Notice is annexed hereto. All documents referred to in the Notice will be available for inspection by the members at the Registered Office of the Company between 11 A.M and 1 P.M on all working days up to the date of the annual general meeting (AGM) and will also be available at the venue of the meeting.
5. Securities and Exchange Board of India (SEBI) has decided that, with effect from 5 December 2018, securities of listed companies can be transferred only in dematerialized form and, therefore, members are advised to dematerialize as early as possible shares held by them in physical form.
6. SEBI has guided listed companies through their Registrar and Share Transfer Agent (RTA) to collect and update the Permanent Account Number (PAN) and bank account details of their shareholders who have their holdings in physical form. Accordingly, such shareholders may please submit their PAN Card and bank account details with Linktime India Pvt. Ltd., RTA of the Company. SEBI has also mandated that for registration of transfer of any securities, the transferee(s) as well as the transferor(s) shall furnish a copy of their PAN Card along with the transfer documents.
7. The Company sends to the Members notices, annual report and accounts and other communication through electronic mode. Members are, therefore, requested to update their e-mail address with the Depository Participant if the holding is in electronic mode, or, intimate to the Company by sending an e-mail at secretarial@rp-sg.in. 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
8. Voting through electronic means:
 - (A) The Company will provide to its members the facility to vote on the resolutions proposed to be considered at the Fortieth AGM by electronic means and the business may be transacted through such voting with services provided by National Securities Depository Limited (NSDL).
 - (B) The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the members attending the Meeting who have not already cast their vote from a place other

than the venue of the AGM by using the said electronic voting system (such voting hereinafter referred to as "remote e-voting") shall be able to exercise their voting right at the Meeting.

- (C) The members who would have cast their vote by remote e-voting prior to the 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:

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

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

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

Details on Step 1 are mentioned below :

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is :
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

**Manner of holding shares
i.e. Demat (NSDL or CDSL)
or Physical**

Your User ID is :

- c) For Members holding shares in Physical Form. EVEN Number followed by Folio Number registered with the company
For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file namely CESC e-Voting.pdf. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat

account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 3. Select "EVEN" of company for which you wish to cast your vote.
 4. Now you are ready for e-Voting as the Voting page opens.
 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
 7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- III. In 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 / Ms. Pallavi Mhatre, Asst. Manager, NSDL at 022 - 2499 4360 / 022 - 2499 4545 and send an email to evoting@nsdl.co.in.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for

sending the future communication(s).

- V. The voting rights of shareholders shall be in proportion to their shares on the paid up equity share capital of the Company as on the **cut-off date** i.e. **14 December, 2018**.
- VI. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evotingam@gmail.com with a copy marked to evoting@nsdl.co.in.
- 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" or "Physical User Reset Password" option available on www.evoting.nsdl.com.
- VIII. The remote e-voting period commences on 18 December 2018 (at 9.00 AM IST) and ends on 20 December 2018 (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 14 December 2018, 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 submit, not later than forty eight hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- 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 DIRECTORS WHO ARE PROPOSED TO BE APPOINTED / REAPPOINTED AT THE MEETING ARE GIVEN BELOW:

Mr. Sanjiv Goenka

Mr. Sanjiv Goenka, is the Chairman, of RP Sanjiv Goenka Group, having an asset base of over ₹ 42,000 crores. The Group has over 45,000 employees and over a hundred thousand shareholders with annual revenues of more than ₹ 23,000 crores.

The Group's businesses spanning across six sectors - Power & Natural Resources, Carbon Black, Retail & Consumer, Media, Entertainment & Sports and IT & Education, include flagship companies such as CESC Limited, Firstsource Solutions Ltd, Phillips Carbon Black Ltd, Spencer's Retail and Saregama India Ltd.

Born in 1961, Mr. Goenka took over in April 2001, as the youngest-ever President of the Confederation of Indian Industry (CII). He is the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur (IIT-KGP) and also Chairs the International Management Institute, Delhi, Bhubaneswar and Kolkata. Mr. Goenka is the Trustee in India Brand Equity Foundation (IBEF), Ministry of Commerce and Industry, Government of India w.e.f. September 2018.

A former President of All India Management Association (AIMA), Mr. Goenka was conferred Indian Business Leader of the Year at Belfast Global India Business Meet in 2013, Banga Bibhushan Award for his contribution to the state of West Bengal, and Distinguished Fellowship Award of Institute of Director, India at their 16th London Global Convention, 2016.

Mr. Goenka is ranked No. 18 in India Today's list of 50 Most powerful people in India in 2018.

Born in Kolkata and educated at the famed St. Xavier's College, Mr. Goenka is married to Preeti. They have a daughter, Avarna, and a son, Shashwat.

Mr. Goenka is the Chairman of the Board of Directors of Phillips Carbon Black Limited, Saregama India Limited (also Chairman of its Stakeholder Relationship Committee), Firstsource Solutions Limited, Spencers International Hotels Limited, Spencer & Co Limited, Haldia Energy Limited, RP-SG Retail Limited (member of its Nomination & Remuneration Committee and Stakeholders Relationship Committee) and RP-SG Business Process Services Limited (member of its Audit Committee, Nomination & Remuneration Committee and also Chairman of its Stakeholders Relationship Committee).

Mr. Goenka holds 1,34,794 shares in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

Mr. Chandra Kumar Dhanuka

Mr. Chandra Kumar Dhanuka, 64 years of age, is a graduate in commerce and has over 38 years of experience in the industry. A

well-known industrialist, he is the ex-chairman of FICCI (Eastern Regional Council) and is also a member of the national committee of FICCI. Mr. C. K. Dhanuka is the ex-chairman of the Indian Tea Association, ex-vice chairman of the Tea Board, ex-President of Indian Chamber of Commerce and also the ex-president of the All India Organization of Employers.

Mr. Dhanuka is the Chairman of Dhunseri Petrochem Limited (also a member of its Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and CSR Committee), Naga Dhunseri Group Limited (also a member of its Audit Committee and CSR Committee and Chairman of its Risk Management Committee), Mint Investments Ltd (also a Chairman of its Risk Management Committee and member of Audit Committee), Trimplex Investments Limited, Jatayu Estate Private Limited, ABC Tea Workers Welfare Services, Madhuting Tea Private Limited, Dhunseri Investments Limited (also a member of Stakeholders Relationship Committee, Risk Management Committee, Nomination & Remuneration Committee & CSR Committee), Makandi Tea & Coffee Estates Ltd, Kawalazi Estates Co Ltd, Dhunseri Tea & Industries Limited (Chairman & Managing Director and member of Stakeholders Relationship Committee, Nomination & Remuneration Committee, Audit Committee & CSR Committee and Chairman of Risk Management Committee) and IVL Dhunseri Petrochem Industries Private Limited.

He is also on the Boards of Egyptian Indian Polyester Co. SAE as Vice Chairman, Dhunseri Infrastructure Limited and Emami Limited (Member of Audit Committee and Nomination & Remuneration Committee and Chairman of Stakeholder Relationship Committee)

He does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

Ms. Rekha Sethi

Ms Rekha Sethi, aged 55 years, is the Director General of the All India Management Association (AIMA), the apex body for management in India.

AIMA is a not for profit, non-lobbying national organization, working closely with Industry, Government, Academia and students to further the cause of the management profession in India. AIMA makes a salutary contribution to management learning and practice in the country by offering various services in the areas of testing, distance education, research, publications and management development programmes.

Ms. Sethi is also an Independent Director on the Boards of Sun Pharmaceutical Industries Ltd (Chairperson of Nomination & Remuneration Committee and Member of CSR and Audit Committees), Sun Pharma Laboratories Ltd (Chairperson of Nomination & Remuneration Committee, Member of CSR Committee & Audit Committee), Hero Steels Limited (Chairperson of Audit Committee and Member of Nomination & Remuneration Committee), Haldia Energy Limited and RP-SG Retail Limited.

She is a Member of the Executive Council of the National Board of Accreditation, which is mandated to facilitate quality in technical education syllabi in India and a member of the Advisory Board of the Switzerland based St Gallen Foundation think tank, Leaders of Tomorrow - Knowledge Pool.

Prior to joining AIMA, Rekha worked with India's premier industry organization, the Confederation of Indian Industry (CII) for over 17 years. There she led the initiative to create high-profile international events to promote India's economic interests.

Rekha started her career at the Centre for Development of Telematics (C-Dot) in 1985 and worked at UDI, India's first yellow pages publisher, before joining CII.

She graduated in English Literature from St. Stephens College, Delhi, and has a post-graduate diploma in Advertising and Marketing.

Ms Sethi does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

Mr. Kalaikuruchi Jairaj

Mr. Kalaikuruchi Jairaj, 66 years of age is a member of the 1976 batch of the Indian Administrative Service (IAS), and retired in 2012 as Additional Chief Secretary to the Government of Karnataka. He has held distinguished appointments in infrastructure, energy, transport and urban development sectors. Mr. Jairaj was a key member of the team establishing the Bangalore International Airport Limited and served with the World Bank, Washington D.C. USA as senior management specialist in the Africa region between 2004 and 2006. Mr. Jairaj has served on the Board of Governors, Indian Institute of Management, Bangalore and Kashipur. He is also associated with several educational and not for profit institutions. He has also been President, All India Management Association.

Mr. Jairaj serves as an Independent Director on the Boards of Adani Transmission Limited (also Chairman of its Audit Committee & Stakeholder Relationship Committee), Neo Foods Private Limited, Maharashtra Eastern Grid Power Transmission Company Limited, Adani Transmission (India) Limited, Sembcorp Energy India Limited (member of its Audit Committee and Chairman of its Stakeholder Relationship Committee), Adani Electricity Mumbai Limited and RP-SG Business Process Services Limited (also as Chairman of its Audit Committee, Nomination & Remuneration Committee and member of CSR Committee).

He does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

Mr. Pradip Kumar Khaitan

Mr. Pradip Kumar Khaitan, 77 years of age, is an attorney-at-law (Bell chambers gold medalist) and is an eminent legal personality. He has extensive experience in the fields of commercial and corporate law, tax law, arbitration, foreign collaborations, intellectual property,

mergers and acquisitions, restructuring and de-mergers. He is a senior partner of Khaitan & Co., an eminent firm dealing with corporate and other laws. He is a member of the Bar Council of India, the Bar Council of West Bengal, the Incorporated Law Society of India and the Indian Council of Arbitration and is connected with various educational institutions and social organizations. He is on the board of directors of CESC since 1992 and is a member of its Finance & Forex Committee and Project Committee.

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

Mr. Khaitan does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

Mr. Rabi Chowdhury

Mr. Rabi Chowdhury aged 58 years is a Bachelor of Electrical Engineering from Jadavpur University. He joined CESC in the year 1984. Prior to that he was employed with Steel Authority of India Limited. He has vast experience of over 32 years in operation and maintenance of Thermal Power Generating Station - commissioning of 2 x 250 MW Budge Budge Generating Station of the Company, project development, engineering, execution and commissioning of CESC's 250 MW Budge Budge III Unit and played a key role in erection and commissioning of 600 MW power plant of the Company's subsidiary Haldia Energy Limited where he is also acting as Managing Director.

Mr. Chowdhury is on the Boards of Haldia Energy Limited, CESC Green Power Limited, Dhariwal Infrastructure Limited, Jarong Hydro-Electric Power Company Limited & Ghaziabad Power Company Limited.

Mr. Chowdhury holds 228 shares in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

Mr. Debasish Banerjee

Mr. Debasish Banerjee, aged 57 years is an Electrical Engineer with proficiency in Business Management, having 34 years of rich and diverse industry experience. He has started his career from Areva and moved onto Crompton Greaves and Schneider Electric, heading Business Operations in Utilities, Industry Dealer Domain. In the last stint as CEO of Reliance Energy, he contributed to improving

Operational Efficiency through Business Processes Reengineering & Automation, thus improving bottom line and customer delight, while optimizing cost. In pursuit of his passion to deploy technology for radical change, he is continually engaged in disruptive Technological Innovations, for delivering a real time digital experience, riding the new waves of mobility, IoT, big data analytics & artificial intelligence.

Mr. Debasish Banerjee does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE FORTIETH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 21 DECEMBER, 2018

Item No. 4 to 6

The current five year term of appointment of Mr. Chandra Kumar Dhanuka, Ms. Rekha Sethi and Mr. K. Jairaj, three of the Independent Directors of the Company, will expire on the dates mentioned below. On the basis of reports of their performance evaluation, it is proposed to reappoint them as Independent Directors not liable to retire by rotation for a fresh five year term as under in accordance with the applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder.

Name of Independent Director	Current term expires on	Fresh term of five years with effect from
Mr. Chandra Kumar Dhanuka	31 March, 2019	1 April, 2019
Ms. Rekha Sethi	29 May, 2019	30 May, 2019
Mr. K. Jairaj	31 July, 2019	1 August, 2019

The Company has received from the above Directors requisite consents, intimations and declarations in connection with their proposed appointments as Independent Directors. The Nomination and Remuneration Committee of the Board has recommended the said reappointments.

In the opinion of the Board, Mr. Chandra Kumar Dhanuka, Ms. Rekha Sethi and Mr. K. Jairaj fulfill the conditions specified in the Act and the Rules made thereunder for being appointed as Independent Directors of the Company and they are independent of the management of the Company. The Board considers that the continued association of the above directors as Independent Directors would be of immense benefit to the Company.

The Special Resolutions set out under Items 4 to 6 of the Notice seek the approval of the Members for the reappointments of the above directors as Independent Directors of the Company pursuant to Section 149 and other applicable provisions of the Act and Rules made thereunder.

A copy each of the draft letters of appointment of the above directors as Independent Directors of the Company setting out the terms & conditions are available for inspection by the Members at the Company's Registered Office on any working day up to the date of the Annual General Meeting and will also be available at the venue

of the meeting.

Mr. Chandra Kumar Dhanuka, Ms. Rekha Sethi and Mr. K. Jairaj may be deemed to be concerned or interested in the respective Special Resolutions relating to their proposed reappointments. None of the other Directors, Key Managerial Personnel or their relatives has any concern or interest in the said Resolution.

Item No. 7

Securities and Exchange Board of India has notified on 9 May 2018, the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018. Through this amendment, a new Sub Regulation 17(1A) has been introduced with effect from 1 April, 2019. This inter-alia provides that a listed company shall not appoint a person or continue the directorship of any person as a Non-executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Mr. Pradip Kumar Khaitan is aged 77. An Independent Director, he is an Attorney-at-Law (Bell Chambers Gold Medalist) and is an eminent legal personality. A senior partner of Khaitan & Co., the noted law firm, Mr. Khaitan is an active participant in all important deliberations of the Board of Directors of the Company (the "Board") with his extensive hands-on experience in all branches of law. Mr. Khaitan has been on the Board of Directors of the Company since 1992.

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

Mr. Pradip Kumar Khaitan may be deemed to be concerned or interested in the resolution for continuance of his appointment. None of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the respective resolution in the accompanying Notice.

The Board recommends the above Resolution as set out in item No. 7 of the Notice for approval of the Members.

Item No. 8 to 11

On the recommendation of the Nomination and Remuneration Committee and subject to approval of the members, the Board of Directors of the Company at its meeting held on 23 May 2018 appointed Mr. Rabi Chowdhury and Mr. Debasish Banerjee as Additional Directors of the Company with effect from 28 May 2018 in terms of the provisions of Section 161 of the Companies Act 2013 (the 'Act') read with Article 104 of the Articles of Association of the Company.

Both Mr. Chowdhury and Mr. Banerjee hold office as Additional Directors up to the date of the forthcoming Annual General Meeting of the Company.

Further, Mr. Rabi Chowdhury and Mr. Debasish Banerjee were also appointed by the Board at its aforesaid meeting as Managing Director (Generation) and Managing Director (Distribution) respectively for a period of five years each from 28 May 2018 subject to necessary

approval of the shareholders in general meeting. The above appointments were made by the Board on recommendation of the Nomination and Remuneration Committee of the Board ('the Committee').

The proposed appointments and the terms of remuneration are in accordance with the conditions specified in Sections 196 and 197 of the Act read with Schedule V thereof.

The terms and conditions governing the appointments referred to above are contained in the letters proposed to be issued by the Company to Mr. Chowdhury and Mr. Banerjee respectively.

As per the principal terms set out in the draft letter to be issued to Mr. Chowdhury, his entire remuneration is to be paid by Haldia Energy Limited, a wholly-owned subsidiary of the Company, where he continues to function as the Managing Director.

The principal terms and conditions of appointment of Mr. Banerjee in terms of the aforesaid draft letter are as follows :

1. Basic Salary : ₹ 13,00,000/- per month with such periodical increments as may be decided by the Committee.
2. Management Allowance : ₹ 11,12,500/- per month with such periodical revisions as may be decided by the Committee.
3. Performance Bonus : ₹ 45,00,000/- or such other annual sum as may be decided by the Committee.
4. Residential accommodation or House Rent Allowance in lieu thereof in accordance with the Rules of the Company.
5. Perquisites : Mr. Banerjee will be entitled to such usual perquisites and benefits in accordance with the rules of the Company, subject to a limit of ₹ 75,00,000/- per annum, as may be decided by the Committee. In addition, a joining amount not exceeding a sum of ₹ 2,00,00,000/-, as may be decided by the Committee, will be payable to him.

For the purpose of computation of the aforesaid limit, the following benefits/perquisites shall not be considered : (i) the Company's contribution to Provident Fund and Superannuation Fund (ii) encashment of leave at the end of the tenure and (iii) payment of Gratuity at a rate not exceeding half a month's salary for each completed year of service.

The proposed remuneration of Mr. Banerjee will be subject to a limit of 5% of the annual net profits of the Company. In the event of loss or inadequacy of profits of the Company in any financial year, the aforesaid remuneration and perquisites/benefits will be paid to/enjoyed by Mr. Banerjee subject to such approval as may be necessary.

6. Leave : Leave on full and allowances as per rules of the Company, but not exceeding one month's leave for every eleven months of service.

Mr. Banerjee will be reimbursed by the Company of all entertainment and other expenses actually incurred for the business of the Company subject to such limits as may be fixed by the Committee from time to time.

Mr. Banerjee does not have any interest in the capital of the Company, directly or indirectly and is not related to any of the directors or promoters of the Company at any time before or on the date of his appointment and has necessary qualification with expert and specialized knowledge in the field of his profession.

The terms and conditions of the said appointments of Mr. Chowdhury and Mr. Banerjee may be altered and varied from time to time by the Board in consultation with the Committee as it may in its discretion deem fit, subject to the overall limit mentioned in Section 197 of the Act read with Schedule V thereto.

Additional information in respect of Mr. Chowdhury and Mr. Banerjee pursuant to the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Rule 2015 and the Secretarial Standard on General Meetings, appear elsewhere in the Notice.

Mr. Chowdhury may be deemed to be concerned or interested in the Resolutions appearing in item nos. 8 and 10 of this Notice while Mr. Banerjee may be deemed to be concerned or interested in Resolution nos. 9 and 11 of this Notice. None of the other Directors or Key Managerial Personnel of the Company or their relative is concerned or interested in the above four resolutions in the accompanying Notice.

The Board recommends the above Resolutions appearing in item nos. 8 to 11 of the Notice for approval of the members.

Item No. 12

The Shareholders of the Company at the Thirty-seventh Annual General Meeting of the Company held on 31 July, 2015 approved payment of commission to the Directors who are neither in the whole time employment of the Company nor its Managing Director at a rate not exceeding 3% of the net profits of the Company computed in the manner stated in Section 198 read with Section 197(1) of the Companies Act, 2013 ('the Act'). The said approval was accorded by the shareholders by means of an Ordinary Resolution in terms of then prevailing requirement of Section 197 of the Act.

Subsequently, the Companies (Amendment) Act, 2017 has inserted in the said Section a new requirement of passing a Special Resolution for the above purpose. The Special Resolution under Item No. 12 of the Notice may be considered accordingly for the purpose of continuing with the payment of Commission on net profits of the Company as per details set out in the aforesaid Special Resolution.

Save and except Mr. Rabi Chowdhury, Managing Director (Generation) and Mr. Debasish Banerjee, Managing Director (Distribution), all other Directors of the Company may be deemed to be concerned or interested in the said Special Resolution to the extent of the Commission that each of them may receive in future. No other key managerial personnel or their relatives have any concern or interest in the said Resolution.

Item No. 13

In order to finance a part of its capital expenditure / refinance certain costlier loans, the Company has availed of term loan assistance aggregating to ₹ 1125 crore from five banks namely Bank of Baroda (BOB), HDFC Bank Limited (HDFC), ICICI Bank Limited (ICICI), Kotak Mahindra Bank (KMB), and Punjab & Sind Bank (PSB).

In addition, Central Bank of India (CB), DBS Bank Limited (DBS), IDFC Bank Limited (IDFC), KMB, Punjab National Bank (PNB) and RBL Bank Limited (RBL) have sanctioned incremental working capital facility aggregating to ₹ 403.65 crores.

The above loans and working capital facilities 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 may be required under the respective terms of sanction.

The Special Resolution set out under Item No.13 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. 14

Section 180(1)(c) of the Companies Act, 2013 ('the Act') provides, inter alia, that for borrowing money in excess of the paid up share capital, free reserves and securities premium of a Company, consent of the Company by a Special Resolution would be required.

A Special Resolution was passed at the Thirty-sixth Annual General Meeting of the members of the Company held on 30 July, 2014 specifying a limit of ₹ 4,500 crores for borrowings of the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) outstanding at any point of time.

Keeping in view the Company's future fund requirement for capital expenditure and expenditure to be incurred in the normal course of its operations and also for meeting other requirements, it is considered necessary to seek the members' consent under Section 180(1)(c) of the Act for an increased borrowing limit of ₹ 6,500 crores. The Special Resolution set out under Item no. 14 is intended for the purpose.

No director, key managerial personnel or their relatives is interested or concerned in the said Special Resolution. The Board recommends that the Special Resolution under Item No. 14 of the Notice be passed in the interest of the Company.

Item No. 15

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 2019.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out under Item No. 15 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2019.

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

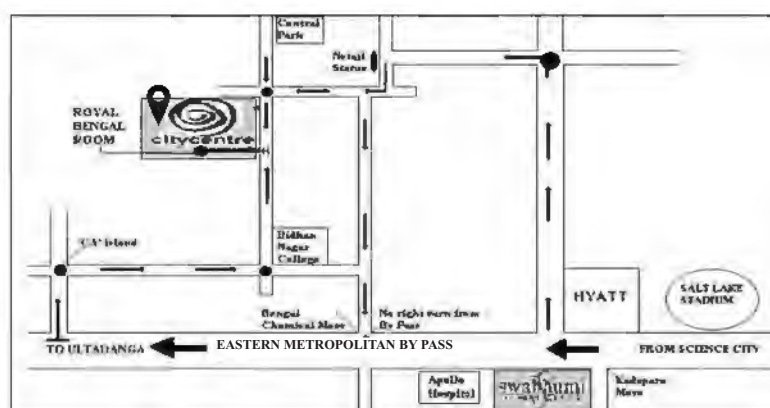
The Board of Directors of the Company recommends that the Resolution be passed.

Registered Office :
CESC House
Chowringhee Square
Kolkata - 700 001
Date : 14 November, 2018

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 2018.

Financial Results

	(₹ crores)	
Particulars	2017-18	2016-17
Revenue from operations	7785.84	7220.07
Other Income	167.94	136.55
Total Income	7953.78	7356.62
Profit from continuing operations before regulatory income and Tax	893.14	908.49
Regulatory Income	209.24	190.23
Profit before tax from continuing operations	1102.38	1098.72
Taxation	(237.72)	(237.84)
Profit for the year from continuing operations	864.66	860.88
Profit/(loss) for the year from discontinued operations	(2.95)	1.98
Profit for the year	861.71	862.86
Other comprehensive income	(8.79)	(39.11)
Total comprehensive income	852.92	823.75

Performance Overview

During the year under review, the Company's revenue from operations increased by 7.83 % over last year to reach ₹ 7785.84 crore. Total income (including other income) grew by 8.11 % from ₹ 7356.62 crore in 2016-17 to ₹ 7953.78 crore in 2017-18. Profit before tax from continuing operations increased by 0.33% to ₹ 1102.38 crore during the year. Profit after tax (PAT) for 2017-18 stands at ₹ 861.71 crore, which reflects a marginal decrease of 0.13% over ₹ 862.86 crore of 2016-17. Total comprehensive income increased by 3.54%. Retained earnings at the end of the year under report stood at ₹ 9062.75 crore (Previous year ₹ 11204.13 crore) after adjustments for dividend, unforeseen exigencies and miscellaneous items.

A detailed review of the operations for the year ended 31 March 2018 is given in the Management Discussion & Analysis, which forms a part of this Report.

Dividend

The Board of Directors of the Company on 28 February 2018 declared an interim dividend of 120% or INR 12 per equity share involving an outgo of ₹ 191.45 crore (Previous year ₹ 159.55 crore) inclusive of tax thereon. The interim dividend was paid during the year. Notice convening the ensuing Fortieth Annual General Meeting of the Members of the Company includes an item for confirmation of the said interim dividend.

Restructuring Scheme

The Board's report last year stated that electricity distribution

business was the core operation of the Company and, over the course of time, the Company had grown into a diversified conglomerate having interests in various other businesses like retail, business process outsourcing, information technology, real estate, entertainment etc. Accordingly, as the report further stated, it had become imperative to reorient and reorganize the Company for imparting greater focus on each of its businesses and further enhancing the operational efficiency. After complying with all applicable formalities, a Composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme") involving the Company, nine of its subsidiaries and their respective shareholders was submitted to the Hon'ble National Company Law Tribunal, Kolkata Bench ('NCLT') for its requisite approval.

The Company received on 5 October, 2018 certified copy of the NCLT Order sanctioning the Scheme subject to a condition that demerger of its Generation Undertaking shall be effective upon approval from the Hon'ble West Bengal Electricity Regulatory Commission ("WBERC") to the Power Purchase Agreement between CESC and the Generation Undertaking proposed to be demerged in terms of the Scheme. The Company has made an application in April, 2018 seeking WBERC's approval which is awaited.

Pending receipt of the above approval from WBERC, the Board of Directors of the Company at its meeting held on 12 October, 2018 has decided that with effect from 1 October, 2017 - the Appointed Date specified in the Scheme - the non-power investments of the Company be demerged into two entities as was planned in the Scheme, viz. Ventures and Retail companies. Now there would be three listed companies – CESC, RP-SG Retail Limited and RP-SG Business Process Services Limited. The last two companies are proposed to be renamed Spencer's Retail Limited and CESC Ventures Limited respectively.

In terms of the Scheme, three of the said nine subsidiaries have amalgamated with CESC with effect from the said Appointed Date. Some of its other former subsidiaries like Firstsource Solutions Limited, Quest Properties India Limited and their respective subsidiaries have become subsidiaries of the said Ventures Company while Omnipresent Retail India Private Limited is now a subsidiary of the Retail company. Retail business operations of Spencer's Retail Limited, one of the said three amalgamated companies, in the state of Gujarat in India have amalgamated with CESC.

In terms of the Scheme, on 14 November, 2018 each CESC shareholder registered in the Company's books as on 31 October, 2018 for every 10 of his shareholding has been allotted additional 6 equity shares of ₹ 5/- each in the new Retail company and additional 2 equity shares of ₹ 10/- each in the Ventures company. Paid up equity share capital of these two companies would be ₹ 40 Crore and ₹ 26 Crore respectively, over and above CESC's paid up equity share capital of ₹ 133 Crore. Applications are being made by the above two companies to National Stock Exchange of India Limited

(NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE) for listing of the new equity shares with these exchanges.

The Board believes that the above Restructuring will result in benefits for all its stakeholders. It will allow unlocking value for the investors, give a focused management attention to the verticals to pursue respective growth plan and allow the two new entities to take advantage of the market value for FMCG, Retail and IT businesses.

Subsidiaries

As on 31 March 2018, CESC had fifteen subsidiaries. Pursuant to implementation of the Scheme, RP-SG Retail Limited, RP-SG Business Process Services Limited, Omnipresent Retail India Private Limited, Quest Properties India Limited, Metromark Green Commodities Private Limited, Guiltfree Industries Limited, Bowlopedia Restaurants India Limited, Apricot Foods Private Limited and Firstsource Solutions Limited alongwith its subsidiaries ceased to be subsidiaries of the Company with effect from 1 October 2017, being the appointed date as per the Scheme.

Further, CESC Infrastructure Limited, Spencer's Retail Limited, Music World Retail Limited, Spen Liq Private Limited and New Rising Promoters Private Limited, erstwhile subsidiaries of the Company, amalgamated in terms of the Scheme with effect from the above appointed date.

Broad details of operations of the present subsidiaries, of the Company are given in the section titled 'Business Performance' in the Management Discussion & Analysis, which forms a part of this report.

In accordance with the Companies Act, 2013, consolidated financial statements of the Company and of all its subsidiaries for the year 2017-18 have been prepared in the form and manner as that of its own and duly audited by M/s. S. R. Batliboi & Co. LLP, the auditors, in compliance with the applicable accounting standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations'). These consolidated statements form a part of the annual report and accounts and shall be laid before the Annual General Meeting of the Company while laying its financial statements as required under the Act. A separate statement containing the salient features of the financial statements of its subsidiaries is attached.

Directors and Key Managerial Personnel

In terms of the provisions of Section 152 of the Act and Article 102 of the Articles of Association of the Company, Mr. Sanjiv Goenka, Chairman of the Board, retires as a Director of the Company at the forthcoming Annual General Meeting and, being eligible, offers himself for reappointment as a Director.

The current five year term of appointment of Mr. Chandra Kumar Dhanuka, Ms. Rekha Sethi and Mr. K. Jairaj, three of the Independent Directors of the Company, will expire on 31 March 2019, 29 May 2019 and 31 July 2019 respectively. It is proposed to reappoint them

as Independent Directors, not liable to retire by rotation, for a fresh term of five years in accordance with the applicable provisions of the Act.

It is further proposed to obtain shareholders' approval by means of a Special Resolution for continuation of the appointment of Mr. P.K. Khaitan as an independent director of the Company in accordance with the requirement of the new Sub-Regulation 17(1A) introduced by the Securities & Exchange Board of India (Listing Obligation and Disclosure Requirements) (Amendment) Regulations 2018.

Since close of the year, Mr. Aniruddha Basu ceased to be a Director of the Company with effect from 28 May 2018 on expiry of his term as the Company's Managing Director. On and from the said date the Board, subject to necessary approval of the shareholders in general meeting, has appointed Mr. Rabi Chowdhury and Mr. Debasish Banerjee as Additional Directors of the Company with the designations of Managing Director (Generation) and Managing Director (Distribution) respectively for a period of five years.

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

Due to his advanced age and failing health, Mr. B.M. Khaitan has tendered his resignation as a director of the Company with effect from 23 May 2018. Mr. Khaitan was on the Board for almost a quarter of a century and made significant contribution as a Director over this long period. The Board places on record its profound appreciation to Mr. Khaitan for his invaluable contribution. The Board also places on record its sincere appreciation for the valuable contribution made by Mr. Basu as Managing Director of the Company.

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

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

Five meetings of the Board of Directors were held during the year on 18 May 2017, 28 July 2017, 11 August 2017, 8 November 2017 and 8 February 2018.

Listing

The equity shares of the Company continue to be listed at the BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited. The Company has paid the requisite listing fee to the Stock Exchanges up to the financial year 2018-19.

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, 2018, 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'). As prescribed under the applicable SEBI Regulation, a separate Report on Corporate Governance (Annexure 'B') along with the Auditor's Certificate thereon and Additional Shareholder Information (Annexure 'C') are annexed as a part of this Report.

Corporate Social Responsibility

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

Business Responsibility Report

A separate Business Responsibility Report as required under the applicable 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 there under and under the applicable SEBI Regulations, the Company has a

Whistle Blower Policy (Vigil Mechanism) in place for reporting genuine concerns over happening of instances of any irregularity, unethical practice and/or misconduct for directors, employees and stakeholders. The details of the said policy have been disclosed in the Company's website www.cesc.co.in.

Related Party Transactions

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

Particulars of Loans, Guarantees or Investments

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

Fixed Deposits

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

Auditors

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

The Auditors' Report annexed to the financial statements for the year under review does not contain any qualification.

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 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 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 has been included in 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, 14 November, 2018

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'). Registered in 1897, it is engaged in distribution of electricity across 567 square kilometres of the licensed area in Kolkata, Howrah, Hooghly, North & South 24-Parganas, West Bengal as also in generation of electricity. It supplies safe, cost-effective and reliable electricity to over 3.2 million customers — both consumer households and commercial establishments. The Company, through its subsidiaries, is also active, inter alia, in the renewable, thermal power generation and in the distribution franchisee space.

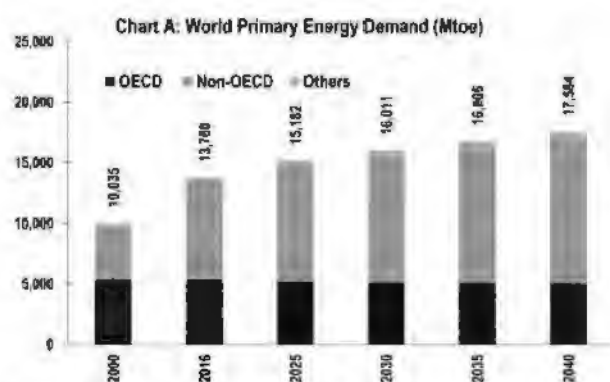
Apart from spearheading the Group's interest in the power sector, CESC also had investments in organised retail, business process management, FMCG and infrastructure sectors through its subsidiaries. At its Board meeting held on 18 May 2017, the Company had announced a restructuring scheme to demerge its businesses into four separate entities: namely, (i) power generation, (ii) power distribution, (iii) retail, and (iv) other business ventures. As the approval from West Bengal Electricity Regulatory Commission to the Power Purchase Agreement between CESC and the Generation Undertaking proposed to be demerged is awaited, the Company has partially implemented the said scheme with the non-power investments of CESC demerged into two entities— retail and other business ventures. As a result, there would be three listed companies: CESC (generation and distribution), RP-SG Retail Limited (retail) and RP-SG Business Process Services Limited (other business ventures). Further details on the restructuring process are discussed later in a separate section on 'Demerger'.

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

ECONOMIC OVERVIEW

Global Energy Outlook

Global energy systems and its longer term outlook are being shaped by several factors. On the supply side, the US is emerging as an undisputed leader in the global oil and gas markets. Second,



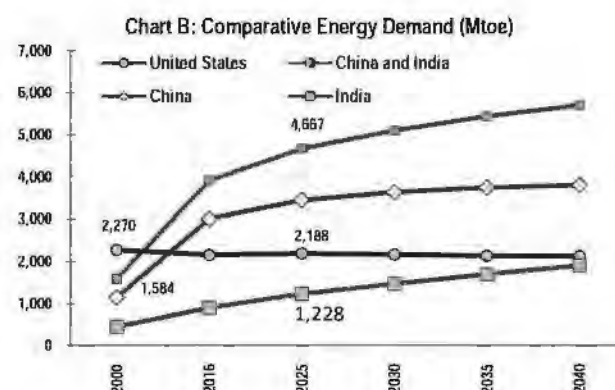
Source: New Policies Scenario, World Energy Outlook 2017, IEA

falling costs of Solar PV is making it increasingly more attractive as the source of electricity in many countries. In terms of demand, the world is moving towards greater electricity consumption driven by cooling, electric vehicles and digitalisation. Also, China's recent policy focus on electricity, natural gas and other cleaner technologies could spark a faster global transition to clean energy.

According to the World Energy Outlook 2017, world primary energy demand under the 'New Policies Scenario'¹ will grow by around 3,824 million tonnes of oil equivalent (Mtoe) between 2016 and 2040 — a CAGR of around 1.0% (Chart A). Demand from OECD countries is expected to come down marginally by 2040 from its current levels. Accordingly, the entire increase in energy demand will come from non-OECD countries — essentially developing economies that are home to billions without adequate access to basic energy.

As much as 46.9% of this increase will come from China and India, with their combined energy demand growing from 3,903 Mtoe in 2016 to 5,698 Mtoe in 2040 (Chart B). Significantly, India will take the lead with its energy demand increasing higher than China — growth of 1,004 Mtoe in India versus 791 Mtoe in China —between 2016 and 2040. These two countries will account for 32.4% of global energy demand in 2040, up from 13.6% in 1990 and 28.4% in 2016. China, US and India will continue to be the top three consumers of energy in the world in 2040, with a share of 21.6%, 12.1% and 10.8% respectively.

Fossil fuels — coal, oil and gas — are the dominant source of energy,

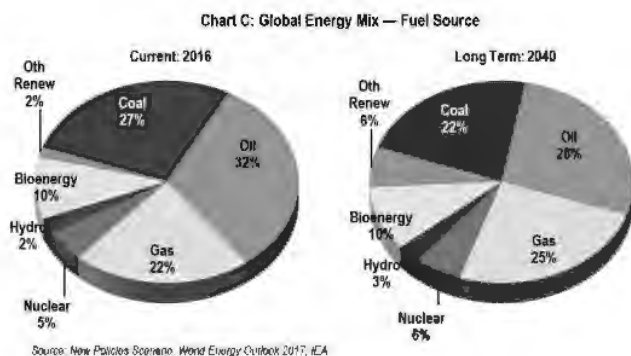


Source: New Policies Scenario, World Energy Outlook 2017, IEA

meeting around 81% of energy demand (Chart C). However, low-carbon fuels and technologies, mostly renewables, will 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% in 2016 to 19.7% in 2040. During the same period, even as the dominance of fossil fuels continues, its share is estimated to come

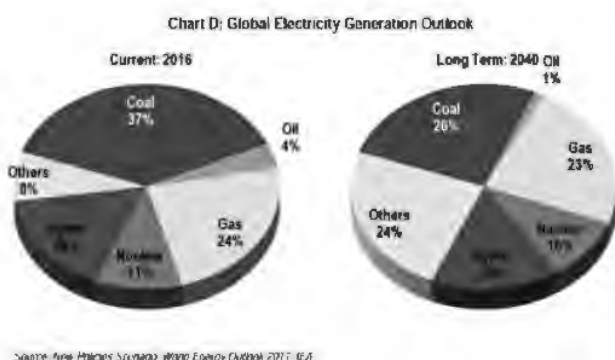
¹ The 'New Policies Scenario' estimates incorporates existing energy policies as well as an assessment of the results likely to stem from the implementation of announced policy intentions. Among such announcements over the last year: the change in policy orientation in the United States; a wealth of additional detail on China's plans for an "energy revolution"; a stronger commitment to renewables and electric mobility in India; and plans to shift the power mix in Korea in favour of gas and renewables.

down to around 74.6%. More important, this decline is only due to the drop in share of coal and oil in the energy mix, as the share of gas is expected to increase between 2016 and 2040.



The power sector accounts for 38.2% of the global energy demand in 2016; and around 50% of the increase in energy demand between 2016 and 2040 is expected to come from this sector. Accordingly, capacity addition of 5,283 GW is estimated between 2016 and 2040. The move to renewable sources will also gather steam, especially with availability of efficient and cost effective technologies. As a result, renewable sources are expected to account for 72.4% of all capacity additions between 2016 and 2040.

This will mean a significant change in the fuel mix for the power sector, more so than the overall global energy mix. As shown in Chart D, dominance of fossil fuels is expected come down significantly—from 65.2% in 2016 to 50.3% by 2040. Renewable sources will be the biggest beneficiary in the medium to longer term. Stronger policies on Solar PV and wind will help renewables account for 39.9% of the total power generation by 2040. In view of China's plans for an "energy revolution" and a stronger commitment to renewables and electric mobility in India, it is now apparent that use of renewables will continue to dominate the global energy agenda in the future.



India's Power Scenario

During 2017-18, the Indian power sector added 17.2 GW in power generation capacity, a growth of 5.2% over previous year. Hydro and other renewable sources accounted 12.6 GW or around 73% of the

increase in power capacities in the country. With these additions, generation capacity in India stood at 344 GW at the end of the year. Table 1 gives the detail.

Table 1 : Power Generation Capacity in India: 2017-18, By Fuel Source

Fuel	MW	% Share	Growth (%)
Coal	1,97,172	57.3%	2.6%
Gas	24,897	7.2%	-1.7%
Diesel	838	0.2%	0.0%
Thermal	2,22,907	64.8%	2.1%
Nuclear	6,780	2.0%	0.0%
Hydro	45,293	13.2%	1.8%
Others	69,022	20.0%	20.5%
Total	3,44,002	100.0%	5.2%

Source: Central Electricity Authority

During 2017-18, electricity requirement increased by 6.1% from 1,142 billion units to 1,212 billion units. The all-India peak demand for power was 164 GW of power, whereas the actual power met was 161 GW.

Table 2 : Power Demand and Deficit: 2017-18

Region	Peak Demand (MW)	Peak Met (MW)	Deficit (MW)	Deficit %
Northern	60,479	58,448	2,301	3.8%
Western	50,477	50,085	392	0.8%
Southern	47,385	47,210	175	0.4%
Eastern	20,794	20,485	30	1.5%
North-Eastern	2,629	2,520	109	4.1%
All India	1,64,066	1,60,752	3,314	2.0%

Source: Central Electricity Authority

With a peak demand-supply shortfall of a mere 2% (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 (20%), UP (11%), Chhattisgarh (6.8%), Jharkhand (5.4%), Mizoram (8.6%), Nagaland (5.9%), Odisha (5.4%) and Andaman & Nicobar Islands (6.9%). Other than these, none of the states/UTs had a peak power deficit of over 5%.

The demand for power in India has been growing at a stable rate of 6% to 7%. This is despite the impact of energy efficient technologies such as LEDs and increase in captive power generation, including solar capacities not connected to the grid. The growth in demand is expected to continue with efforts towards complete electrification and provision of uninterrupted electricity for all by 2019. Equally, the government's focus on the manufacturing sector and large-scale infrastructure projects such as smart cities programme and electrification of railways is expected to provide further boost to

demand. Improvement in the sustainability of DISCOMs is likely to boost the market for power and bring down sector-level risks in the process.

BUSINESS PERFORMANCE

CESC's operations in the power sector comprise :

- **Kolkata Operations** : Distribution of electricity to over 3.2 million customers across its licensed areas in Kolkata, Howrah, Hooghly, North & South 24-Parganas, West Bengal. Other than power sourced from the 600 MW Haldia plant, which is owned by CESC's 100% 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 are owned by the various subsidiaries of CESC.
- **Distribution Franchisees** : This represents the Company's foray into the distribution franchisee space. It includes three franchisees in Kota, Bharatpur and Bikaner in Rajasthan. The first two became operational in 2016-17, whereas Bikaner became operational in May 2017.

KOLKATA OPERATIONS

CESC's operations in Kolkata include generation and distribution of electricity to over 3.2 million customers across its licensed areas. Its key achievement as a power supplier 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 600 MW Haldia plant in 2017-18. This plant is operated by CESC's subsidiary, Haldia Energy Limited (HEL). Simultaneously, its existing generating stations at Budge Budge, Southern and Titagarh continue to have high rate of availability.

Generation

CESC owns three generating stations at Budge Budge, Southern and Titagarh, with a cumulative capacity of 1,125 MW. All generating stations are ISO 9001 certified in Quality Management Systems. During the year, the combined generation for the three stations was 6,337MU. Even as the Company significantly reduced generation from the older Titagarh and Southern stations, the overall combined availability of the three stations was 95.87%, a factor that makes it useful in meeting peak load demand or in emergencies.

Budge Budge Generating Station (BBGS) comprises three units of 250 MW each; Southern Generating Station (SGS) consists of two units of 67.5 MW each and Titagarh Generating Station (TGS) constitutes four units of 60 MW each.

During 2017-18, BBGS generated 6,033 MU (million units) of power, recording its highest ever Plant Load Factor (PLF) of 91.8% with

three units in operation. This was also the fourth highest PLF among all thermal plants in India in 2017-18. It received the award for "Best Performing Utility in Thermal Power Sector" from Central Board of Irrigation and Power. During the year, SGS generated 304 MU of power, whereas there was no generation of power from the costly source at TGS.

CESC's generating stations have consistently excelled in energy conservation by achieving extremely low figures for auxiliary consumption and heat rate. In recognition of its efforts, BBGS was awarded the "Innovative Power Technology of the Year" award at the Asian Power Awards 2017 for reduction of energy consumption in the boiler feed pumps of the station.

All three generating stations are ISO 14001 certified in respect of Environmental Management Systems. Apart from compliance with applicable legal and regulatory requirements, CESC has set stringent environmental standards, and devised new and improved processes to achieve these. Since 2000, it has continuously achieved 100% utilisation of ash in an environment friendly manner. During the year, BBGS received the Gold Award in the Power sector for "Outstanding Achievement in Environmental Role Model Category" at the EKDKN INNOV Awards 2017.

Haldia Energy Limited (HEL), a subsidiary of the Company, owns a 2x300 MW coal fired thermal power project at Haldia in West Bengal. Both units were commissioned and started commercial operation towards the end of 2014-15. HEL has successfully implemented Integrated Management System [ISO 9001, ISO 14001 and OHSAS 18001]. It has a long term PPA with CESC Limited, its holding company, for selling the entire power generated from the plant. It also has a Fuel Supply Agreement with Mahanadi Coalfields Limited (MCL), a subsidiary of Coal India Limited, for sourcing coal. The power evacuation arrangement is through an 89 km long 400 KV double circuit transmission line — including a three kilometre crossing over river Hooghly — to the Power Grid Corporation of India Limited substation at Subhasgram.

During 2017-18, HEL achieved a remarkable feat of over 98% plant availability factor (PAF) and a PLF of 86%. It commissioned a sewage treatment plant to reuse the sewage water of the administrative building and developed a garden with 30 species of rare and valuable medicinal plants within the premises. In recognition of its all-round performance, HEL received several awards during the year: FICCI 6th Quality System Excellence Awards for Industry, 2018; Indian Chamber of Commerce Environment Excellence Awards 2017; and the CII Safety, Health and Environment Award 2017. During the year, the administrative building of HEL received the Green Building Certificate under the Platinum category from Indian Green Building Council.

Centralised Monitoring Station for Generation Assets

During 2017-18, CESC unveiled its state-of-the-art centralised monitoring station (CMS) for all critical assets in its generation plants. The CMS, which has been running successfully since its launch, is yet another example of how the Company proactively utilises digitisation and technology to improve the productivity of its operations.

The project was implemented in collaboration with General Electric's global digital team. It ensures enhanced asset utilisation by improving plant availability using artificial intelligence and strong analytical capabilities to predict potential failures. It also enhances end-to-end visibility of the power generation process and enables benchmarking of performance, comparing different units, highlight KPIs and facilitate data-based business decision making. It will allow CESC to benchmark itself with global leaders, follow their best practices and make it future ready.

Distribution

CESC undertakes continuous upgrading of its distribution infrastructure to maintain and enhance the quality and reliability of supply as well as to reduce downtime and overloads. During 2017-18, about 2.5 lakh meters were installed on account of new supplies and replacements. The peak power demand was 2,159 MW.

Investments were made to strengthen the distribution network to cope with growing system demand, as well as for replacement of older plant and equipment. CESC is also executing special projects to upgrade its distribution network and enhance its capacity as well as reliability for efficient handling of the growing demand.

Energy conservation and maintaining an efficient distribution network are key areas of focus for all power companies. During 2017-18, several measures were taken. 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 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.

- 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 2017-18, 50,000 such installations were carried out.
- During 2017-18, CESC installed 900 Automatic Power Factor Controllers (APFC) at the secondary (400V) side of distribution transformers (DTs) for improving supply voltages and relieving them.
- It has also installed AMR meters for remote metering of its HT consumers, LT consumers and distribution transformers. By the end of 2017-18, 35,376 AMR meters were installed, including 14,700 for street lighting and 8,254 for DTRs.

In recognition of its efforts, CESC won Utilities and T&D Award "Overall Best-in-Class Urban Utility" at the 11th ENERTIA Awards 2017 and SKOCH Order of Merit at the SKOCH Summit 2017. It was also the first runner-up in "Quality of Service Award" and "Efficient Distribution Operation Award" at ICC Awards 2017.

Customer Service

Providing best-in-class services to its 3.2 million consumers is at the core of CESC's vision to build a customer centric organisation. Over the years, the Company has sought to achieve this through innovative processes backed by effective deployment of technology across platforms such as web, mobility solutions and communication through social media. During 2017-18, it initiated several measures to strengthen customer service and enhance customer value, aimed at both consumer households and businesses. Some of the key developments are discussed below :

- **New Connections** : CESC added around 74,000 customers during 2017-18. The average time taken to provide a new connection is 1-2 days. Moreover, where premises have an existing connection, supply typically starts within 24 hours of payment and compliance. The online application process was further simplified for the ease and convenience of the applicants. During the year, 84.4% of the applications were received online — a considerable improvement over 58% in 2016-17 and 38% in 2015-16.
- **Billing and Payment** : CESC already has easy and user-friendly avenues for online payments : mobile wallets, debit/credit cards, net banking and ECS, covering all major payment technologies and solutions. During the year, it launched online batch payment through NEFT/RTGS — meeting a longstanding demand of institutional clients. By the end of 2017-18, 35.4% of LT consumers were making online payments accounting

for 40.7% of the revenues — again a step-up from 22.2% and 28.5% respectively during the previous year.

- **Customer Contact** : The Company's centralised 24x7 call centre, which acts as the primary touch point for all complaints and queries, was extended to cater to HT customers during the year. All calls to the call centre are guided through Interactive Voice Recording System (IVR) and are docketed and routed to concerned department for quick resolution. Regular chat sessions with the Managing Director and senior leadership team continued to see a strong response, with the participation of more than 1,300 consumers in 48 chat sessions. During 2017-18, engagement levels on CESC's social media assets remained high.
- **Supply Interruptions** : Various steps have been taken by CESC over the years to ensure reliable supply and quicker restoration. Its 24x7 LT control room, manned by engineers and placement of radio-linked and GPS-enabled mobile service vans at strategic locations have helped it in restoring supply faster. Use of GIS and field force automation has also improved the efficiency of operations. All planned outages are proactively informed by the call-centre to the HT consumers and critical installations for LT consumers. HT consumers continue to avail free diagnostic testing service of their installations.
- **E-services** : Expanding the bouquet of e-services has been a continuous process. During the year, new services added to the CESC Website included a special name change application process for spouse of deceased consumer, advance payment statement, provision for online payment of supply reconnection bills generated on-site at Regional Offices. E-services penetration increased substantially during the year. For instance, 78.2% of the total name change requests were received online compared to 71.9% a year ago; and 47.5% of the total AC applications were received online versus 44.3% in 2016-17.

Special Initiatives During 2017-18

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

- **New Design Electricity Bill** : A new multi-coloured monthly bill was launched with better content and layout of key items for easy readability and comprehension. A separate box has been prominently incorporated for indicating the additional e-payment rebate and net amount payable.

- **Mobile App Version 2** : CESC Mobile App for customers was upgraded during the year to make it more user-friendly, modern and appealing. The main features of the new app are hassle free registration, auto verification of OTP and a customizable dashboard-based menu.

Safety and Health

CESC is committed to maintaining high standards of industrial safety across its operations, and has a safety vision and policy, including a policy on use of personal protective equipment (PPE). Over the years, it has brought about wide-ranging changes in daily work management to create a culture of safety.

The 'Central Safety Cell' has been instrumental in implementation of safe work procedures as well as monitoring and control of unsafe situations. During the year, work instructions were developed from safe work procedures of all critical activities of distribution wing in vernacular languages and distributed to all grass root level workmen for their easy understanding and adherence to safety processes. The Company started a pilot project in the Howrah District to develop it as a model safe district through an intensive schedule of activities carried out by a dedicated team of the Safety Cell.

The Safety Cell has also been instrumental in providing in-house training to 100% of the Company's employees. Officers in operations and key support functions have gone through safety-related trainings conducted by institutions of international repute. Safety and occupational health audits, communication meetings, safety workshops, mock drills and company-wide observation of "Safety Day" are other activities carried out regularly by the Cell. These activities have resulted in increased awareness and identification of near-miss incidents as well as improvement in control of first aid and lost work day cases. CESC has also started educating its institutional and corporate customers on electrical and fire safety by conducting seminars.

CESC has a structured communication system for coverage of its safety-related initiatives. This includes publishing safety manuals, audio visual aids, safety magazine "Surakshabarta" (available in both Bengali and Hindi) and web-based monthly newsletter "Safety Spotlight". All thermal stations are OHSAS 18001 certified for occupational health, and safety management systems. During the year, Budge Budge Generating Station received the Gold Award and Southern Generating Station received the Platinum Award for "Outstanding achievement in Safety Management" at the 16th Annual Greentech Safety Award (2017).

CESC has a strong focus on health and well-being of its employees. It operates 27 well-equipped dispensaries across the organisation with doctors and pharmacists. Best-in-class medical facilities including empanelment of major super speciality hospitals, nursing homes

and diagnostic clinics are available to the employees through tie-ups. It also conducts regular health check-up for all the employees as a part of the occupational health initiative. It publishes a quarterly medical bulletin called “Mediflash” for its employees. To emphasise wellness over the curative approach, CESC has developed several platforms for building awareness and better lifestyle management by its employees: monthly “Unit-wise Awareness” sessions, periodic “Special Health Awareness” sessions, annual “Specialised Health” sessions for female employees and annual “Mega Health Camp” for all employees and their families.

INDEPENDENT POWER GENERATION PROJECTS

Apart from its generation capacities catering to the Kolkata operations, CESC has built 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 170 MW.

Thermal

Chandrapur, Maharashtra : This is a 2x300 MW thermal power project implemented by Dhariwal Infrastructure Limited (DIL), a 100% subsidiary of CESC. Unit I was commissioned in 2013-14 and Unit II was commissioned in 2014-15. For power evacuation, Unit I is connected to the state grid and Unit II to the central grid. This provides for flexibility in the sale of power to customers from both within and outside the state. DIL has a Fuel Supply Agreement (FSA) with South Eastern Coal Fields Limited.

For Unit II, DIL has Power Purchase Agreements (PPAs) for supply of 100 MW to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and 170 MW to the Noida Power Company Limited. During 2017-18, Unit II achieved availability factor of 89% and unit load factor of 81%. Unit I of DIL generated 258 MU in 2017-18 under short term arrangements. During the year, DIL secured short term contract with Maharashtra State Power Generation Company Limited (MSPGCL) for supply of 185 MW with effect from 1 April 2018.

In recognition of its innovative and environment friendly practices to save energy and natural resources, DIL won the Gold Award in Fame Excellence Award 2017 for outstanding Project on “Water Conservation/Watershed Development” and 5-star rating certificate by Maharashtra Pollution Control Board (MPCB) under their Star Rating programme for sustaining good performance in air pollution control. It also won Platinum Award in Fame Excellence Award 2017 for outstanding Project on “Best Innovative CSR Project”.

Asansol, West Bengal : This is a 40 MW atmospheric fluidised based combustion (AFBC) power plant using shale and washery

rejects from the adjacent captive coal mine in Sarisatolli. The unit is operational since July 2009. The power plant is owned by Crescent Power Limited, a CESC subsidiary, which operates in the merchant market. During the year, the plant achieved 99.67% 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 was profitable in 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 is being sold to the Gujarat Urja Vikas Nigam Limited under the long term power purchase agreement executed for the entire capacity. With the commissioning of the balance capacity of 10 MW during 2017-18, the project is now fully operational.

All four wind power projects are running successfully. During 2017-18, their combined generation was 234.50 MU (129.48 MU in 2016-17) with a capacity utilization factor of 17.60% (15.97% in 2016-17). Combined supply of electricity by the four plants stood at 222.77 MU in 2017-18 (123.91 MU in 2016-17).

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 has been profitable since 2016-17 — its first full year of operation.

DISTRIBUTION FRANCHISEE

State distribution companies (DISCOMs) are using the distribution franchisee (DF) route to partially privatise operations and improve their financial health. Rajasthan awarded four franchisees in the last few years, three of which were won by CESC. This includes Kota and Bharatpur those became operational in 2016-17 and Bikaner, which became operational in 2017-18. Other than these, CESC had also won the bid for a DF in Ranchi, Jharkhand, in 2012. However, the DF agreement was subsequently terminated.

Kota, Rajasthan : Kota Electricity Distribution Limited (KEDL), a wholly owned subsidiary of CESC, took over operations in Kota on 1 September 2016 after signing of Distribution Franchisee Agreement with JVVNL (Jaipur Vidyut Vitaran Nigam Limited). By the end 2017-18, the number of consumers has increased to 2.1 lakh and the sale of electricity has grown to 890 MUs.

As a part of its efforts to reduce losses and make the distribution network safe and robust, KEDL deployed advanced technologies such as AMI in 2017-18. By the end of the year, the network had 63,000 smart meters, which is the largest population of smart meters in the country. Going forward, the primary focus will be on reduction of T&D losses which is currently around 27%. During the year, KEDL continued with its efforts in the deployment of customer centric processes, resulting in improvements in customer service parameters and time taken in fault restoration. It will continue to expand its consumer services in the coming year.

Bharatpur, Rajasthan : Bharatpur Electricity Services Limited (BESL), a wholly owned subsidiary of CESC, took over the operations in Bharatpur on 1 December 2016 after the signing of Distribution Franchisee Agreement with JVVNL. By the end 2017-18, the number of consumers has increased to 57,740 and the sale of electricity has grown to 213.61 MUs.

BESL inherited a distribution network with considerable shortcomings, and efforts are being made to make it safe and reliable. As a result of concentrated efforts made during the year, it successfully brought down T&D losses from 32% to 20%. All systems and processes followed in Kota have been replicated at Bharatpur with the focus of providing the high standards of customer service available to customers in CESC's network.

Bikaner, Rajasthan : CESC won the bid floated by Jodhpur Vidyut Vitaran 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. Bikaner Electricity Supply Limited (BESL), a wholly owned subsidiary of CESC, took over the operations in Bikaner in May 2017 after the signing of Distribution Franchisee Agreement with JdVVNL. The operations have stabilised since takeover and the services have been widely accepted by consumers

of Bikaner. During the year, the Company deployed SCADA, which is fully operational and is one of its kind in Rajasthan. Going forward, focus will be on reduction of T&D loss which is currently around 22%, along with making the distribution network safe and reliable.

The three distribution franchisees — Kota, Bharatpur and Bikaner — currently have a combined customer base of 4.2 lakh and an annual energy consumption of around 2,100 million units, which translates into a revenue of approximately Rs.1,300 crore per annum.

HUMAN RESOURCES (HR)

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

The emphasis on 'service excellence with cost leadership' along with building a high performance culture has been the cornerstone of the Company's talent sourcing strategy. "*Unmesh*", the paid summer internship programme for students of premier engineering colleges and business schools which culminates in pre-placement offers to select young talents, has played a major role in this direction. "*Anneswan*", the annual induction process, has established itself as a highly popular initiative for integrating the newly recruited executives within the organisation.

Learning and development is another key focus area. The Company has a robust process for conducting training and other learning intervention programs in line with an annual training plan drawn at the beginning of the year. Curriculum based programmes and special courses in collaboration with premier institutes such as IIT Kharagpur, IIM Calcutta and XLRI Jamshedpur also play a major role in this regard. Other initiatives such as leadership retreat, coaching and mentoring and outbound learning programmes for creativity and team building are also carried out. During 2017-18, the Company carried out over 750 training programs totalling over 15,000 man days.

Knowledge and innovation management play a pivotal role in building organisational capability. CESC organises an annual "*Knowledge Carnival*", a platform to bring out innovative ideas to the fore. The Company has an in-house knowledge and innovation portals to support the process. During 2017-18, several innovation projects were implemented. These projects are also published in the in-house bi-annual technical journal.

Many employee centric initiatives such as "Employee Suggestion Scheme", "Reward and Recognition Programme" and "Small Group Interactive Meetings" are in place to enhance employee engagement. CESC is also deeply engaged with its employees and

Asia Institute of Power Management (AIPM), the training and consulting wing of CESC, has established itself in training of power professionals across the country and abroad. During 2017-18, AIPM carried out 21 training programs involving 1,399 man days covering many state level utilities and central organisations. These covered diverse areas such as network planning, operation and maintenance of critical electrical assets, reliability improvement, loss reduction, safety and renewable energy along with smart grid initiatives.

AIPM also offered consultancy services in reviewing of bidding documents and physical assessment of SCADA centre in Andhra Pradesh under the World Bank. Ability to support diverse range of issues in power companies bears testimony to AIPM's capabilities and operational excellence of CESC as a customer centric organisation.

their family members through regular events such as Annual Sports, Sit and Draw Competition, "Ankur Samman" to recognise and embrace the meritorious children of the employees and "Avishkar", a talent search and promotion initiative for the employees and their family.

During 2017-18, CESC won several awards and recognitions which underscore its employee friendly HR practices. These include: "Significant Achievement in HR Excellence" from CII, winner of Energy and Environment Foundation "Global HR Skill Development Award" and "Golden Peacock Award for HR Excellence".

As on 31 March 2018, CESC had 8,896 employees on its payroll. Unions representing the employees continued to play a positive role in partnering with the management to drive excellence in operations. The Company continues to enjoy industrial harmony in its operations. There were no major incidents of service interruption due to industrial relations issues in the year.

Business Excellence & Quality (BEQ)

CESC has an established track record in areas of customer centricity and operational excellence. Quality has been intrinsic to its philosophy and is imbibed in a strong process driven business model that it follows in all key areas of its operations. Institutionalising these activities across the Company led to the formation of Business Excellence & Quality (BEQ) department in 2015-16.

CESC has adopted the principles of EFQM Model of Excellence (European Foundation for Quality Management) as a tool for its journey towards excellence. During the year, focus was on reinforcement of qualitative, quantitative and motivational growth initiatives through Kaizens and 5S.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

In 2017-18, CESC received the Skoch BSE Order of Merit and Certificate of Appreciation — Earth Day Network 'Sheher Green Karo' Campaign, in recognition of the quality and impact of its CSR activities. During the year, the CSR strategy was revisited to prioritise interventions in line with the strategic objectives of the Company. Employee participation in CSR has also increased.

Education Initiatives

Under its '**Nirmal Abhiyan**' programme, carried out with City Level Programme of Action for Street and Working Children (CLPOA), the Company seeks to create a child-friendly environment in schools by providing safe drinking water and sanitation facilities, improving their overall structure, and promoting hygiene education. During 2017-18, infrastructural support was provided to four schools, which has benefited more than 650 students. Since its launch, the project has been implemented in 19 schools and has helped approximately 2,300 students and 40 teachers who have been trained under the Project.

'**Muktangan**' is a remedial education programme implemented with Hope Kolkata Foundation. Through this Project, academic support is provided to the underprivileged students from classes VIII to X, to prevent drop-out and improve learning outcomes by facilitating competency-based education. Under the project, 13 remedial education centres are operational, benefiting 1,100 students directly and 1,300 students indirectly.

The '**School Build Programme**' has been focusing on infrastructure development in government and municipal schools through repair and renovation of school buildings, provision of facilities such as safe drinking water facility and furnitures. During 2017-18, the Company provided support to six schools under this programme.

'**Roshni**' aims at helping children in urban slums to acquire quality education with level-appropriate reading and writing ability, and mainstreaming drop-out. The project is being implemented in Tiljala area with Child in Need Institute (CINI). *Roshni* covers a population of 24,000, catering to 3,742 direct beneficiaries and 4,000 indirect beneficiaries.

Health Initiatives

'**Suswasthya**' implemented with CLPOA, aims at ensuring improved health of women, children and adolescents by increasing health-seeking behaviour, improving awareness on health, nutrition and hygiene, and ensuring collective action on health for improving the quality of services in government health facilities. The project

is implemented in Kamarhati Municipality, under the Company's licensed area covering a population of about 13,000.

Over the years CESC has been supporting upgradation of the Titagarh Municipal Hospital, located in the vicinity of TGS, by improving the maternity ward and operation theatre, setting up ENT, ophthalmology and a neo-natal intensive care unit (NICU) at the hospital. In 2017-18, CESC supported the setting up of a Dialysis Unit in the hospital.

Environment Initiatives

'**Urja Chetana**' implemented in 26 schools with Centre for Environment Education promotes education for sustainable development through awareness generation on energy and environment conservation, water conservation, protection of biodiversity, waste reduction, its reuse and recycling, and protection of traditional knowledge. This project has directly benefited 9,400 students and reached 44,000 community members through them.

The Company continued its partnership with the Kolkata Municipal Corporation for maintaining the green verges in certain areas of the city of Kolkata.

Community Development Initiatives

'**Nirmal Sankalp**' is a comprehensive water and sanitation Project in Titagarh Municipality, which is implemented with Water Sanitation and Hygiene Institute. It seeks to improve availability, usage, quality and sustainability of water and sanitation facilities by involving community members as change agents. The project seeks to make the entire Titagarh Municipality 100% open defecation free. A population of 25,000 has been covered through this project.

'**Saksham**' is a skill development and employment generation programme for youth in Tiljala area. Two centres are running under the project are training 200 youth in tailoring, beauty therapy etc. '**Jagriti**' is a similar project in Titagarh Municipality through which 60 youth are being trained in use of computers, Tally and GST. Both projects are being implemented with NSHM Udaan Skills Private Limited.

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

'**Socio-economic Development Programme for Specially-Abled Persons**' is a skill training programme for persons with disabilities (visually and orthopedically challenged) to help facilitating financial security for them. Modules offered are IT essentials, digital literacy, workplace English and comprehension, workplace readiness and financial literacy. 50 persons have been trained and have been provided with placement assistance.

FINANCIAL RESULTS

Table 3 : Abridged Financial Performance of CESC (Standalone and Consolidated)

₹ Crore

	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	7,786	7,220	10,275	8,363
Other Income	168	137	252	230
Total Income	7,954	7,357	10,527	8,593
Operating Costs	4,371	3,973	4,907	3,511
Employee Benefit Expenses	860	780	970	873
Other Expenses	920	846	1,467	1,240
Depreciation	426	401	751	715
Finance Costs	484	448	1,303	1,372
Total Expenses	7,061	6,448	9,398	7,711
Regulatory Income/(Expense)	209	190	67	46
Share of Profit in Associate	–	–	50	48
Profit Before Taxes (PBT) from continuing operations	1,102	1,099	1,246	976
Tax Expense	(237)	(238)	(356)	(321)
Profit/(Loss) from discontinued operations	(3)	2	85	155
Profit After Taxes (PAT)**	862	863	975	810
Non-controlling Interest (NCI)**	–	–	62	119
PAT after NCI**	–	–	913	691
Other Comprehensive Income	(9)	(39)	2	(86)
Total Comprehensive Income**	853	824	977	724
Non-controlling Interest (NCI)**	–	–	66	98
Total Comp. Income after NCI**	853	824	911	626
Diluted EPS (Rs.):**	65.01	65.09	68.85	52.12

** From continuing and discontinued operations

Table 3 summarises the financial performance of CESC Limited both as a standalone and a consolidated entity.

Standalone Performance

- Total income (including other income) of CESC increased by 8.11%, from ₹ 7,357 crore in 2016-17 to ₹ 7,954 crore in 2017-18.
- Profit before taxes (PBT) from continuing operations for 2017-18 stood at ₹ 1,102 crore. After accounting for tax

expense of ₹ 237 crore and loss of ₹ 3 crore from discontinued operations, Profit after Taxes (PAT) for 2017-18 was ₹ 862 crore.

- Earnings per share (EPS) during the year stood at ₹ 65.01 compared to ₹ 65.09 in 2016-17.

Consolidated Performance

- Total income (including other income) of CESC as a consolidated entity increased by 22.5%, from ₹ 8,593 crore in 2016-17 to ₹ 10,527 crore in 2017-18.
- Profit before taxes (PBT) from continuing operations grew by 27.7% from ₹ 976 crore in 2016-17 to ₹ 1,246 crore in 2017-18. After accounting for tax expense of ₹ 356 crore and profit of ₹ 85 crore from discontinued operations, Profit after Taxes (PAT) grew by 20.4% from ₹ 810 crore to ₹ 975 crore in 2017-18. PAT after non-controlling interest grew at 32.1% from ₹ 691 crore to ₹ 913 crore.
- Earnings per share (EPS) during the year grew by 32.1% from ₹ 52.12 in 2016-17 to ₹ 68.85 in 2017-18.

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. In addition, the Company has a Risk and Disaster Management cell to focus on operational risks emanating from fire hazards and natural disasters.

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

Macroeconomic and Market Risks

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

To mitigate the risk of availability and cost of coal, CESC has adopted a strategy of ensuring long-term coal linkages for its existing and future projects. Most of the Company's generation capacities have long-term PPAs. It is also well placed to access state and national grids to sell surplus power and is actively looking at long-term 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. System for on-line health monitoring of fire safety systems has been implemented. Periodic mock drill on fire fighting and evacuation during emergency are part of the training calendar and vital installations are under 24x7 CCTV surveillance to protect against external attack, security breach or similar activities. 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 is one such area.

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 fuel 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 all the 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. As per the proposal, for every 10 CESC shares held, a shareholder will get five shares of the power generation arm, five of the distribution company, six of the retail firm (RP-SG Retail Limited) and two of the entity which will hold the residual business ventures (RP-SG Business Process Services Limited). All four will be listed entities.

After obtaining necessary clearance from SEBI and stock exchanges, the draft Restructuring Scheme (the “Scheme”) was submitted with National Company Law Tribunal, Kolkata Bench (“NCLT”). Subsequently pursuant to the direction of NCLT, a meeting of CESC’s equity shareholders was held where the draft Scheme was approved by the shareholders with an overwhelming majority. On 28 March 2018 NCLT has passed an order sanctioning the Scheme (“NCLT Order”) with a direction that Part III of the Scheme providing for demerger of CESC’s generation undertaking shall be effective upon obtaining approval of the West Bengal Electricity Regulatory Commission (“WBERC”) in terms of Electricity Act, 2003 on the power purchase agreement between CESC and the Generation Undertaking proposed to be demerged. The Company made an application in April 2018 seeking WBERC’s approval which is currently awaited.

Subsequent to the receipt of the certified copy of the NCLT Order, the Board of Directors of CESC, in its meeting held on 12 October 2018 decided to file it with the Registrar of Companies and make the Scheme effective from the Appointed Date i.e. 1 October 2017 except for Part III, Part IX and Part XII (Section 1), which shall be effective after receipt of the said approval from WBERC.

Accordingly, every shareholder of the Company will receive 6 (six) equity shares of RP-SG Retail Limited of ₹ 5/- each and 2 (two) equity shares of RP-SG Business Process Services Limited of ₹ 10/- each for every 10 equity shares of the Company held by such shareholder on 31 October 2018 (the “Record Date”).

OUTLOOK

Global economic growth has strengthened considerably in the last couple of years. According to the IMF, world output grew at 3.8%

in 2017 — the fastest since 2011 — driven by an upswing in both international investment and trade. The macro-economic outlook for the next couple of years is also positive, with growth expected to firm up further to around 3.9% in 2018 and 2019. Growth is also expected to be more broad-based with positive contribution from advanced economies — notably the US. Growth in emerging markets and developing economies is also likely to firm up, along with a modest turnaround for commodity exporters.

India’s GDP grew at 6.7% in 2017-18. Equally important, the economy witnessed an acceleration in growth as the year progressed, which suggests that the impact of demonetisation and Goods and Services Tax (GST) implementation may now be over. The macro-economic outlook for 2018-19 is also positive — with the RBI projecting a GDP growth of 7.4% in 2018-19.

As for energy markets, global trends clearly point at strong growth of the power sector, with electricity consumption increasing rapidly driven by demand from cooling, electric vehicles and digitisation. In term of the fuel mix, even as thermal and gas will continue to dominate the overall generation, renewable sources are expected to account for 72.4% of all capacity additions between 2016 and 2040. Capacity additions in India over the last couple of years are already in line with this.

India’s power demand is growing consistently at 6% to 7%, even with efficient technologies such as LEDs are crowding out some of the growth. As the macroeconomic situation improves, demand is likely to be more broad-based, with contribution from both industrial and household segments.

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, 14 November 2018

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') is a consumer-oriented power utility, committed to continuously upgrade its operation and performance to enhance stakeholders' satisfaction. Such commitment is embedded in its good corporate governance practices, which are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in its decision-making process. The Company believes that its corporate responsibilities should be adequately articulated to ensure strategic guidance, effective monitoring and accountability to accomplish targeted performance, enhance satisfaction of consumers and other stakeholders and establish fairness in dealings.

For listed companies in India, corporate governance standards are regulated through the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015 ("Listing Regulations"). This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports the status of compliance of corporate governance norms of the Listing Regulations by CESC for the year ended 31 March 2018.

BOARD OF DIRECTORS

COMPOSITION AND ATTENDANCE

As on 31 March 2018, CESC's Board of Directors ('the Board') consisted of eight Directors, of whom six were Independent Directors, including a woman Director. Managing Director was 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 of the Board and attendance record of the Directors are detailed in Table 1 below. None of the Directors is a member of more than ten Board-level Committees of public companies in which they are Directors or is a Chairman of more than five such Committees.

Table 1 : Composition of the Board of Directors as on 31 March 2018

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	5	5	Yes
Mr. P. K. Khaitan	Independent	9	4	2	5	4	No
Mr. B. M. Khaitan	Independent	5	–	–	5	3	No
Mr. C. K. Dhanuka	Independent	8	8	1	5	3	Yes
Ms. R. Sethi	Independent	4	2	1	5	5	Yes
Mr. K. Jairaj	Independent	4	2	–	5	5	Yes
Mr. P. Chaudhuri	Independent	9	3	4	5	4	Yes
Mr. A. Basu	Executive	4	–	–	5	5	Yes

Notes :

- Directorships held by Directors as mentioned in Table 1 do not include alternate directorships, directorships of foreign companies, Section 8 companies, one person companies and private limited companies.
- Memberships / Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of public limited companies have been considered.
- None of the Directors are related to each other.
- The details of the familiarisation programme for Independent Directors is 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.

Since the close of the year, Mr. A. Basu ceased to be a Director of the Company on expiry of his term as the Company's Managing Director w.e.f. 28 May 2018. On and from the said date, the Board of Directors, subject to necessary approval of the shareholders in general meeting, has appointed Mr. Rabi Chowdhury and Mr. Debasish Banerjee as Additional Directors of the Company with the designation of Managing

Director (Generation) and Managing Director (Distribution) respectively each for a period of 5 years from 28 May 2018. Further, Mr. B.M. Khaitan tendered resignation as a director of the Company w.e.f. 23 May 2018 due to his advanced age and failing health. Thus, as on date, five out of eight directors on the Company's Board are independent and the composition continues to be in compliance with the Act and the Listing Regulations.

BOARD MEETINGS

In 2017-18, the Board met five times on 18 May 2017, 28 July 2017, 11 August 2017, 8 November 2017 and 8 February 2018. The maximum gap between any two Board meetings was less than one hundred and twenty days.

MEETINGS OF INDEPENDENT DIRECTORS

During 2017-18, Independent Directors met on 8 November 2017 in order to, inter alia, review the performance of non-independent directors including that of the Chairman; assess the effectiveness of flow of information between the company management and the Board and other related matters. All the Independent Directors except Mr. C.K. Dhanuka attended the meeting.

INFORMATION PLACED BEFORE THE BOARD

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

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

CODE OF CONDUCT

The Code of Business Conduct and Ethics ('the Code') relating to matters concerning Board members and Senior Management Personnel and their duties and responsibilities have been meticulously followed. All Directors and Senior Management Personnel have affirmed compliance of the provisions of the Code during 2017-18 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 five committees namely :

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

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

1. AUDIT COMMITTEE

(i) Composition :

As on 31 March 2018, 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.

However, on 23 May 2018, the Committee was reconstituted with Mr. P.K. Khaitan as its Member in place of Mr. B. M. Khaitan who ceased to be a Director of the Company with effect from the aforesaid date.

(ii) Meetings :

The Committee met six times during the year on 15 May 2017, 18 May 2017, 11 August 2017, 22 September 2017, 6 November 2017 and 8 February 2018. The attendance record of the Members at the Meeting is given below in Table 2.

Table 2 : Attendance Record of Audit Committee

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. S. Goenka	Member	Non-Executive	6	6
Mr. B. M. Khaitan	Member	Independent	6	6
Mr. C. K. Dhanuka	Chairman	Independent	6	6

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 28 July 2017.

(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 any significant findings and follow up thereon.
- I. Investigating into any matter in relation to the items specified in the terms of reference and reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- J. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- K. Reviewing the Company's risk management policies.
- L. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

- M. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- N. Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- O. Obtain professional advice from external sources to carry on any investigation and have full access to information contained in the records of the Company.
- P. Discuss any related issues with the internal and statutory auditors and the management of the Company.
- Q. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- R. Approve subsequent modification of transactions of the Company with related parties.
- S. Scrutinize the inter-corporate loans and investments and evaluate internal financial controls and risk management systems.
- T. Oversee the vigil mechanism / whistle blower policy of the Company.

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

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

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

2. STAKEHOLDERS' RELATIONSHIP COMMITTEE

(i) Composition :

As on 31 March 2018, the Stakeholders Relationship Committee consisted of Mr. S. Goenka, the Chairman of the Committee and Mr A. Basu.

However, with effect from 28 May 2018, the Committee was reconstituted with Mr. R. Chowdhury as a member in place of Mr. A. Basu who ceased to be a Director of the Company, on expiry of his term of office as Managing Director, with effect from the aforesaid date.

(ii) Meetings :

During the financial year, the Committee met five times on 18 May 2017, 11 August 2017, 8 November 2017, 27 December 2017 and 8 February 2018. Table 3 below reports 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	5	5
Mr. A. Basu	Member	Executive	5	5

Details of the number and nature of complaints received and redressed during the financial year 2017-18 are given in the section titled "Additional Shareholder Information".

(iii) Terms of reference :

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

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.

However, with effect from 23 May 2018, the Committee was reconstituted with Mr. S. Goenka becoming a Member of the Committee in place of Mr. B.M. Khaitan who ceased to be a Director of the Company with effect from the aforesaid date.

(ii) Meetings :

The Committee met twice on 18 May 2017 and 27 July 2017 to discuss the overall performance of the Directors. Table 4 below records the attendance record of the Members at the Meeting.

Table 4 : Attendance Record of Nomination and Remuneration Committee

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. P. K. Khaitan	Chairman	Independent	2	1
Mr. C. K. Dhanuka	Member	Independent	2	2
Mr. B. M. Khaitan	Member	Independent	2	2

(iii) Remuneration Policy :

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

(iv) Terms of Reference :

The role of the Nomination & Remuneration Committee includes:

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

(v) Performance Evaluation Criteria :

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

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

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(i) Composition :

As on 31 March 2018, the Corporate Social Responsibility Committee consisted of Mr. S. Goenka, Chairman of the Committee, Mr. B.M. Khaitan and Mr A. Basu.

However, with effect from 28 May 2018, the Committee was reconstituted with Mr. C.K. Dhanuka and Mr. R. Chowdhury as its Members in place of Mr. B.M. Khaitan and Mr. A. Basu who ceased to be the Company's Directors as aforesaid.

(ii) Meetings :

During the financial year, the Committee met on 18 May 2017. Table 5 below gives the attendance record of the Members at the Meeting.

Table 5 : Attendance Record of Corporate Social Responsibility Committee

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. S. Goenka	Chairman	Non- Executive	1	1
Mr. B. M. Khaitan	Member	Independent	1	-
Mr. A. Basu	Member	Executive	1	1

(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 2018, 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. With effect from 28 May 2018, the Committee has been re-constituted with Mr. P. K. Khaitan (Chairman), Mr. P. Chowdhuri and Mr. Rabi Chowdhury as members of the Committee.

(ii) Meetings :

During the financial year, the Committee met on 18 May 2017. Table 6 below gives the attendance record of the Members at the Meeting :

Table 6 : Attendance Record of Risk Management Committee

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. P. K. Khaitan	Chairman	Independent	1	1
Mr A. Basu	Member	Executive	1	1
Mr. B.M. Khaitan	Member	Independent	1	-
Mr. P. Chaudhuri	Member	Independent	1	-

(iii) Terms of reference :

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

REMUNERATION OF DIRECTORS

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

Remuneration paid or payable to Non-Executive Directors for the year ended 31 March 2018 :

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2017-18 are as follows : Mr. S. Goenka, Chairman - ₹ 17,00,000, Mr. P. K. Khaitan - ₹ 7,00,000, Mr. B. M. Khaitan - ₹ 12,00,000, Mr. C. K. Dhanuka - ₹ 11,00,000, Ms. R. Sethi - ₹ 6,00,000, Mr. K. Jairaj - ₹ 6,00,000, Mr. P. Chaudhuri - ₹ 5,00,000

Sitting fees include payment for Board-level committee meetings.

After taking into account the Non-Executive Directors' contribution to the Company in formulating its policy matters, their qualifications, experience, time spent by them on strategic matters, the Company, with the due approval of the shareholders, made payment of commission during the year 2017-18 at the rate of 3% of net profits for the financial year 2016-17, calculated under the applicable provisions of the Companies Act, 2013. A sum of ₹ 3273 Lakh 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 2017-18 on the same basis is ₹ 3316 Lakh.

Remuneration of the Managing Director :

The remuneration of Mr. A. Basu who was Managing Director during 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 – ₹ 93.15 lakh, Contribution to Pension and Provident Fund and Gratuity – ₹ 75.64 lakh, Estimated value of other benefits – ₹ 181.43 lakh, maximum variable pay payable for 2017-18 – ₹ 75.00 lakh. Total: ₹ 425.24 lakh. Mr. Basu was the only executive on the Company's Board as on 31 March 2018. The Company's five year contract with Mr. Basu ended on 27 May, 2018, by efflux of time.

Shares held by Non-Executive Directors :

As on 31 March 2018, Mr. S. Goenka, Chairman and Non-Executive Director held 1,34,794 equity shares of the Company. No other Director holds any equity shares in CESC. As on 31 March 2018, no convertible instruments of the Company were outstanding.

SUBSIDIARY COMPANIES

Pursuant to the implementation of the Composite Scheme of Arrangement ('the Scheme'), referred to elsewhere in the Annual Report as on 31 March, 2018 CESC had 15 subsidiaries. CESC Infrastructure Limited (CIL) was the only material subsidiary of the Company at the beginning of the year. However in terms said implementation of the Scheme, CIL ceased to be a subsidiary of the Company with effect from 1 October, 2017 being the Appointed Date of the Scheme. Mr. P. Chaudhuri Independent Director of the Company was also director of CIL. (Refer note no. 52 to the financial statements for the year 2017-18).

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 neither 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 Companies Act, 2013 ("the Act") and the relevant provisions of the 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

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

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

RELATED PARTY TRANSACTIONS

Details of transactions of a material nature with any of the related parties as specified in Indian Accounting Standard (IND AS) 24 issued by the Institute of Chartered Accountants of India are disclosed in Note 42 to the financial statements for the year 2017-18. 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 had received one complaint which was duly disposed of during the year.

CEO/CFO CERTIFICATION

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

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

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

The current five year terms of appointment of Mr. Chandra Kumar Dhanuka, Ms. Rekha Sethi and Mr. K. Jairaj, three of the Independent Directors of the Company, will expire on 31 March, 2019, 29 May, 2019 and 31 July, 2019 respectively. It is proposed to reappoint each of them as Independent Directors, not liable to retire by rotation, for a fresh five year term with effect from 1 April, 2019, 30 May, 2019 and 1 August, 2019 respectively, in accordance with the applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder. The notice convening the ensuing Annual General Meeting includes requisite Special Resolution in respect of the proposed re-appointments.

The Board and its Nomination and Remuneration Committee have recommended continuation of Mr. Pradip Kumar Khaitan as a Non-Executive Independent Director of the Company in terms of Sub- Regulation 17(1A), introduced with effect from 1 April 2019 under the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements), 2018. The Notice convening the ensuing Annual General Meeting includes the requisite Special Resolution for this purpose.

On the recommendation of the Nomination and Remuneration Committee and subject to approval of the members, the Board of Directors of the Company at its meeting held on 23 May 2018 appointed Mr. Rabi Chowdhury and Mr. Debasish Banerjee as Additional Directors of the Company with effect from 28 May 2018 in terms of the provisions of Section 161 of the Companies Act 2013 (the ‘Act’) read with Article 104 of the Articles of Association of the Company. Further, Mr. Rabi Chowdhury and Mr. Debasish Banerjee were also appointed by the Board at its aforesaid meeting as the Managing Director (Generation) and Managing Director (Distribution) respectively for a period of 5 years from 28 May 2018 subject to necessary approval of the shareholders in general meeting. The above appointments were made by the Board on recommendation of the Nomination and Remuneration Committee of the Board.

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

Name of the Director	Mr. Sanjiv Goenka
Age	57
Brief Resume	Mr. Sanjiv Goenka, is the Chairman, of RP Sanjiv Goenka Group, having an asset base of over ₹ 42,000 crores. The Group has over 45,000 employees and over a hundred thousand shareholders with annual revenues of more than ₹ 23,000 crores . The Group's businesses spanning across six sectors – Power & Natural Resources, Carbon Black, Retail & Consumer, Media, Entertainment & Sports and IT & Education, include flagship companies such as CESC Limited, Firstsource Solutions Ltd, Phillips Carbon Black Ltd, Spencer's Retail Ltd and Saregama India Ltd. Born in 1961, Mr. Goenka took over in April 2001, as the youngest-ever President of the Confederation of Indian Industry (CII). He is the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur (IIT-KGP) and also Chairs the International Management Institute, Delhi, Bhubaneswar and Kolkata. Mr. Goenka is the Trustee in India Brand Equity Foundation (IBEF), Ministry of Commerce and Industry, Government of India w.e.f. September 2018. A former President of All India Management Association (AIMA), Mr. Goenka was conferred Indian Business Leader of the Year at Belfast Global India Business Meet in 2013, Banga Bibhushan Award for his contribution to the state of West Bengal, and Distinguished Fellowship Award of Institute of Director, India at their 16th London Global Convention, 2016. Mr. Goenka is ranked No. 18 in India Today's list of 50 Most powerful people in India in 2018 . Born in Kolkata and educated at the famed St. Xavier's College, Mr. Goenka is married to Preeti. They have a daughter, Avarna, and a son, Shashwat.
Other Directorship	Mr. Goenka is the Chairman of the Board of Directors of Phillips Carbon Black Limited, Saregama India Limited (also Chairman of its Stakeholder Relationship Committee), Firstsource Solutions Limited, Spencers International Hotels Limited, Spencer & Co Limited, Haldia Energy Limited, RP-SG Retail Limited (member of its Nomination & Remuneration Committee and Stakeholders Relationship Committee) (w.e.f. 14 November, 2018) and RP-SG Business Process Services Limited (member of its Audit Committee, Nomination & Remuneration Committee and also Chairman of its Stakeholders Relationship Committee) (w.e.f. 14 November, 2018).
Shareholding	1,34,794

Name of the Director	Mr. Chandra Kumar Dhanuka
Age	64
Brief Resume	Mr. Chandra Kumar Dhanuka, is a graduate in commerce and has over 38 years of experience in the industry. A well-known industrialist, he is the ex-chairman of FICCI (Eastern Regional Council) and is also a member of the national committee of FICCI. Mr. C. K. Dhanuka is the ex – chairman of the Indian Tea Association, ex – vice chairman of the Tea Board, ex-President of Indian Chamber of Commerce and also the ex – president of the All India Organization of Employers. He is on the board of CESC Limited since 2012 and is the Chairman of its Audit Committee and member of Nomination and Remuneration Committee.

Other Directorship	Mr. Dhanuka is the Chairman of Dhunseri Petrochem Limited (also a member of its Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and CSR Committee), Naga Dhunseri Group Limited (also a member of its Audit Committee and CSR Committee and Chairman of its Risk Management Committee), Mint Investments Ltd (also a Chairman of its Risk Management Committee and member of Audit Committee), Trimplex Investments Limited, Jatayu Estate Private Limited, ABC Tea Workers Welfare Services, Madhuting Tea Private Limited, Dhunseri Investments Limited (also a member of Stakeholders Relationship Committee, Risk Management Committee, Nomination & Remuneration Committee & CSR Committee), Makandi Tea & Coffee Estates Ltd, Kawalazi Estates Co Ltd, Dhunseri Tea & Industries Limited (Chairman & Managing Director and member of Stakeholders Relationship Committee, Nomination & Remuneration Committee, Audit Committee & CSR Committee and Chairman of Risk Management Committee) and IVL Dhunseri Petrochem Industries Private Limited. He is also on the Boards of Egyptian Indian Polyester Co. SAE as Vice Chairman, Dhunseri Infrastructure Limited and Emami Limited (Member of Audit Committee and Nomination & Remuneration Committee and Chairman of Stakeholder Relationship Committee)
Shareholding	Nil

Name of the Director	Ms Rekha Sethi
Age	55
Brief Resume	Ms Rekha Sethi, is the Director General of the All India Management Association (AIMA), the apex body for management in India working closely with Industry, Government, Academia and students to further the cause of the management profession in India. Ms. Sethi took charge of AIMA in June 2008. It is now the preferred platform for discussions and debate on management related diverse issues. AIMA attracts India's top industry leaders and policy makers on its platform. She is a member of the Executive Council of the National Board of Accreditation, which is mandated to facilitate quality in technical education syllabi in India and a member of the Advisory Board of the Switzerland based St Gallen Foundation think tank, Leaders of Tomorrow – Knowledge Pool. Prior to joining AIMA, Ms. Sethi worked with India's premier industry organization, the Confederation of Indian Industry (CII) for over 17 years. There she led the initiative to create high-profile international events to promote India's economic interests. A graduate in English Literature with a post-graduate diploma in Advertising and Marketing, Ms. Sethi started her career at the Centre for Development of Telematics (C-Dot) in 1985 and worked at UDI, India's first yellow pages publisher, before joining CII.
Other Directorship	Ms. Sethi is also an Independent Director on the Boards of Sun Pharmaceutical Industries Ltd (Chairperson of Nomination & Remuneration Committee and Member of CSR and Audit Committees), Sun Pharma Laboratories Ltd (Chairperson of Nomination & Remuneration Committee, Member of CSR Committee & Audit Committee), Hero Steels Limited (Chairperson of Audit Committee and Member of Nomination & Remuneration Committee), Haldia Energy Limited and RP-SG Retail Limited (w.e.f. 14 November, 2018).
Shareholding	Nil

Name of the Director	Mr. Kalaikuruchi Jairaj
Age	66
Brief Resume	Mr. Kalaikuruchi Jairaj, is a member of the 1976 batch of the Indian Administrative Service (IAS), and retired in 2012 as Additional Chief Secretary to the Government of Karnataka. He has held distinguished appointments in infrastructure, energy, transport and urban development sectors. Mr. Jairaj was a key member of the team establishing the Bangalore International Airport Limited and served with the World Bank, Washington D.C. USA as senior management specialist in the Africa region between 2004 and 2006. Mr. Jairaj has served on the Board of Governors, Indian Institute of Management, Bangalore and Kashipur. He is also associated with several educational and not for profit institutions. He has also been President of All India Management Association.
Other Directorship	Mr. Jairaj serves as an Independent Director on the Boards of Adani Transmission Limited (also Chairman of its Audit Committee & Stakeholder Relationship Committee), Neo Foods Private Limited, Maharashtra Eastern Grid Power Transmission Company Limited, Adani Transmission (India) Limited, Sembcorp Energy India Limited (member of its Audit Committee and Chairman of its Stakeholder Relationship Committee), Adani Electricity Mumbai Limited and RP-SG Business Process Services Limited (also as Chairman of its Audit Committee, Nomination & Remuneration Committee and member of CSR Committee) (w.e.f. 14 November, 2018).
Shareholding	Nil

Name of the Director	Mr. Pradip Kumar Khaitan
Age	77
Brief Resume	Mr. Pradip Kumar Khaitan, is an attorney-at-law (Bell chambers gold medalist) and is an eminent legal personality. He has extensive experience in the fields of commercial and corporate law, tax law, arbitration, foreign collaborations, intellectual property, mergers and acquisitions, restructuring and de-mergers. He is a senior partner of Khaitan & Co., an eminent firm dealing with corporate and other laws. He is a member of the Bar Council of India, the Bar Council of West Bengal, the Incorporated Law Society of India and the Indian Council of Arbitration and is connected with various educational institutions and social organizations. He is on the board of directors of CESC since 1992 and is a member of its Finance & Forex Committee and Project Committee.
Other Directorship	Mr. Khaitan is in the Boards of Graphite India Limited (Chairman of the Nomination & Remuneration Committee and member of Stakeholders Relationship Committee), Dhunseri Petrochem Limited (Member of Nomination & Remuneration Committee and Chairman of CSR Committee), India Glycols Limited (Chairman of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and member of CSR & Risk Management Committee), OCL India Limited, Electrosteel Castings Limited (Member of Audit Committee, Nomination & Remuneration Committee & CSR Committee), Dalmia Bharat Limited (Member of Audit cum Risk Management Committee and Nomination & Remuneration Committee), Emami Limited, Firstsource Solutions Limited, Woodlands Multispeciality Hospital Limited (member of Audit Committee and Nomination & Remuneration Committee) and Odisha Cement Limited.
Shareholding	Nil

Name of the Director	Mr. Rabi Chowdhury
Age	58
Brief Resume	Mr. Rabi Chowdhury is a Bachelor of Electrical Engineering from Jadavpur University in the year 1982. He joined CESC in the year 1984. Prior to that he was employed with Steel Authority of India Limited. He has vast experience of over 32 years in operation and maintenance of Thermal Power Generating Station commissioning of 2 x 250 MW Budge Budge Generating Station of the Company, project development, engineering, execution and commissioning of CESC's 250 MW Budge Budge III Unit and played a key role in erection and commissioning of 600 MW power plant of the Company's subsidiary Haldia Energy Limited where he is also acting as Managing Director.
Other Directorship	Mr. Chowdhury is on the Boards of Haldia Energy Limited, CESC Green Power Limited, Dhariwal Infrastructure Limited, Jarong Hydro-Electric Power Company Limited & Ghaziabad Power Company Limited.
Shareholding	228

Name of the Director	Mr. Debasish Banerjee
Age	57
Brief Resume	Mr. Debasish Banerjee is an Electrical Engineer with proficiency in Business Management, having 34 years of rich and diverse industry experience. He has started his career from Areva and moved onto Crompton Greaves and Schneider Electric, heading Business Operations in Utilities, Industry Dealer Domain. In the last stint as CEO of Reliance Energy, contributed to improving Operational Efficiency through Business Processes Reengineering & Automation, thus improving bottom line and customer delight, while optimizing cost. In pursuit of his passion to deploy technology for radical change, he is continually engaged in disruptive Technological Innovations, for delivering a real time, digital experience, riding the new waves of mobility, IoT, big data analytics & artificial intelligence.
Other Directorship	Nil
Shareholding	Nil

COMMUNICATION TO SHAREHOLDERS

CESC puts forth key information about the Company and its performance, including quarterly results, official news releases and presentations to analysts, on its website www.cesc.co.in 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 46 to the financial statements for the year 2017-18.

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
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
2016-17	28 July 2017	10.30 AM	CITY CENTRE Royal Bengal Room, DC Block Sector I, Salt Lake, Kolkata - 700064	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 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 Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance, as mandated in Regulation 27 of the Listing Regulations. The certificate is annexed to this report.

On behalf of the Board of Directors

Kolkata, 14 November 2018

Sanjiv Goenka
Chairman

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

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

1. The Corporate Governance Report prepared by CESC Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;
 - iv. Obtained and read the minutes of the following committee meetings held April 1, 2017 to March 31, 2018:
 - (a) Board of Directors meeting;
 - (b) Audit committee;
 - (c) Annual General meeting;
 - (d) Nomination and remuneration committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Independent directors meeting;
 - (g) Risk management committee; and
 - (h) Corporate Social Responsibility Committee

- v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

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

Opinion

- 8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

Other matters and Restriction on Use

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

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

per Kamal Agarwal
Partner
Membership Number: 058652
Place of Signature: Kolkata
Date: 14 November 2018

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

ANNUAL GENERAL MEETING

Date	: 21 December, 2018
Time	: 3.00 P.M.
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 2018, results were announced on :

First quarter	11 August, 2017
Second quarter	8 November, 2017
Third quarter	8 February, 2018
Fourth quarter	23 May, 2018
Annual	14 November, 2018

For the year ended 31 March 2019, results announcement dates :

First quarter	26 July 2018
Second quarter	14 November 2018
Third quarter	Within 14 February 2019
Fourth quarter and annual	Within 30 May 2019

DIVIDEND

The Board on 28 February, 2018 declared an interim dividend of ₹ 12 per equity share. The said interim dividend was paid on and from 15 March 2018.

LISTING

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

STOCK CODES

CSE	7, Lyons Range, Kolkata - 700001	PHYSICAL: 34; DEMAT: 10000034
BSE	Phiroze Jeejeeboy Tower, Dalal Street, Mumbai - 400001	PHYSICAL: 84; DEMAT: 500084
NSE	Bandra Kurla Complex, Bandra (E), Mumbai - 400051	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 the BSE limited (BSE) and the National Stock Exchange (NSE) for the year 2017-18.

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, 2017	948.20	827.00	948.60	827.65
May, 2017	1001.85	812.00	1001.40	807.05
June, 2017	923.40	848.90	923.95	847.50
July, 2017	948.30	860.45	948.00	850.50
August, 2017	1037.50	898.85	1037.40	893.55
September, 2017	1079.70	975.00	1080.00	972.95
October, 2017	1062.95	991.00	1064.65	991.00
November, 2017	1052.00	975.00	1053.90	973.20
December, 2017	1075.00	973.25	1069.80	972.00
January, 2018	1188.95	1047.00	1190.00	1045.25
February, 2018	1066.75	925.00	1067.75	938.00
March, 2018	1025.95	859.80	1026.15	861.35

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

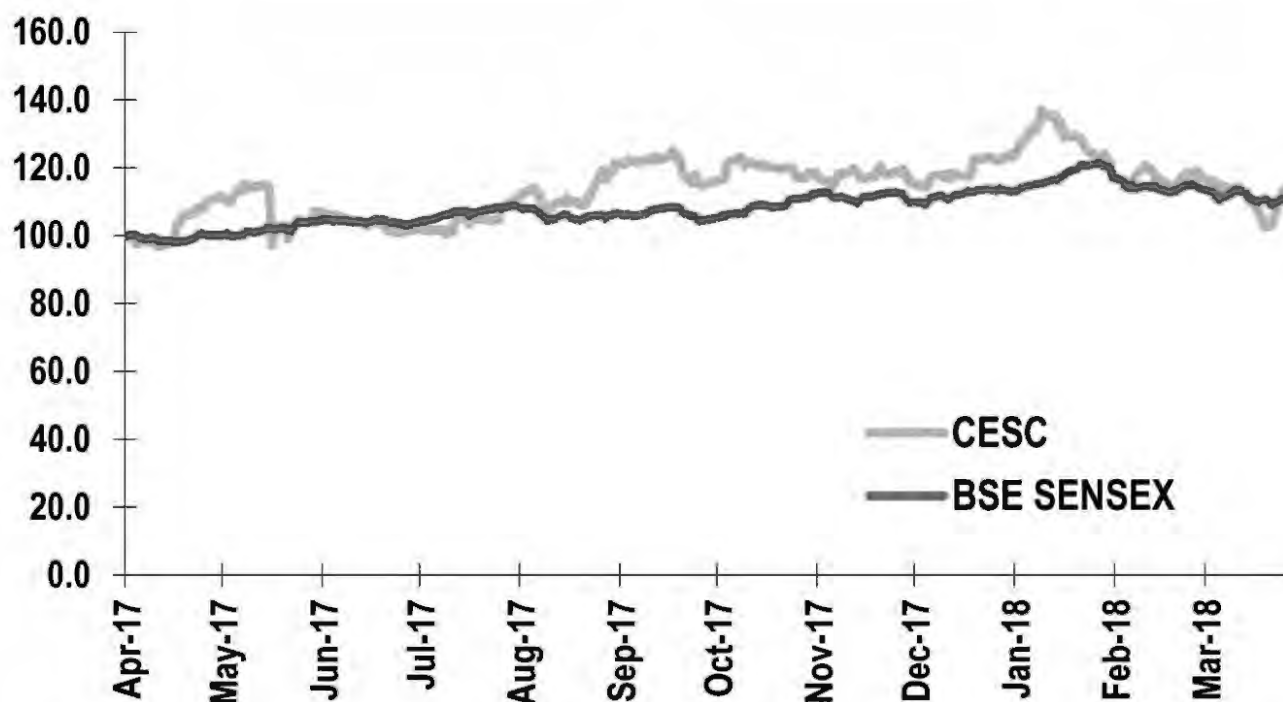
Table 2 provides the closing price of CESC's equity shares on NSE with leading market and sector indices at the last trading day for each month during the financial year 2017-18:

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 (₹)	CESC's Closing Price on BSE (₹)	NSE Nifty	BSE Sensex	BSE 500 Index	BSE Power Index
April, 2017	944.60	944.20	9304.05	29918.40	12979.24	2329.75
May, 2017	917.75	918.00	9621.25	31145.80	13199.15	2220.59
June, 2017	868.55	871.05	9520.90	30921.61	13178.45	2225.54
July, 2017	942.75	943.20	10077.10	32514.94	13897.23	2323.61
August, 2017	1015.70	1015.75	9917.90	31730.49	13762.13	2261.46
September, 2017	986.80	986.75	9788.60	31283.72	13610.70	2206.23
October, 2017	1018.70	1018.20	10335.30	33213.13	14485.57	2349.20
November, 2017	1013.15	1013.85	10226.55	33149.35	14493.58	2320.68
December, 2017	1048.00	1047.85	10530.70	34056.83	15002.73	2381.69
January, 2018	1054.75	1054.90	11027.70	35965.02	15347.19	2319.48
February, 2018	1023.45	1022.30	10492.85	34184.04	14670.49	2223.14
March, 2018	966.20	967.65	10113.70	32968.68	14125.53	2125.83

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

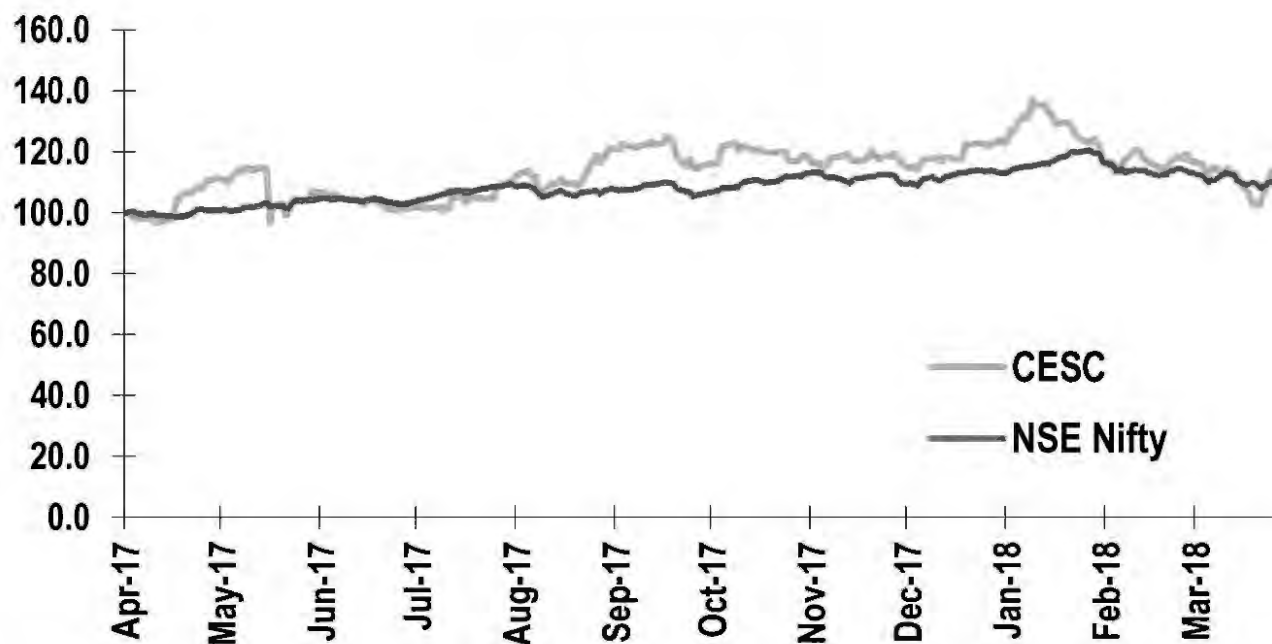
Chart A: CESC Share Performance versus BSE Sensex



Note : Share price of CESC and BSE Sensex have been indexed to 100 on 3 April 2017

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

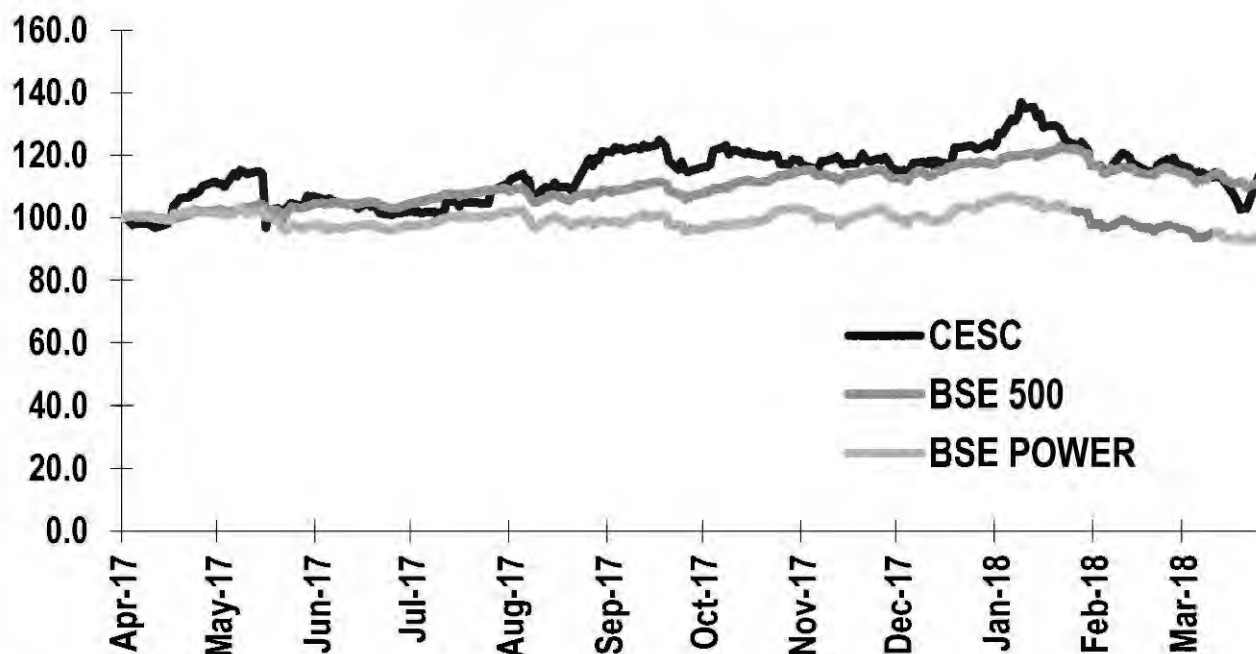
Chart B : CESC Share Performance versus NSE NIFTY



Note : Share price of CESC and NSE NIFTY have been indexed to 100 on 3 April 2017

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

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



Note : Share price of CESC, BSE 500 and BSE Power have been indexed to 100 on 3 April 2017

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

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

Secretarial Department
 CESC Limited
 CESC House
 Chowringhee Square
 Kolkata – 700 001
 Tel No. : 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 in the Depository. The Registrar and Share Transfer Agent of the Company periodically receives data regarding the beneficiary holdings, so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

As on 31 March 2018, dematerialised shares accounted for 96.68% of total equity. Outstanding global depository receipts as on the said date was 7932. There is no subsisting court order in legal proceedings against CESC in any share transfer matter. Table 3 reports details of the number and nature of complaints for the year 2017-18

Table 3 : Complaints from Shareholders during 2017-18

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	10	6	5	29	50
Attended during the year	9	6	5	29	49
Pending as on 31 March 2018	Nil	Nil	Nil	Nil	1*

* The complaint was resolved on 05.04.2018

SHAREHOLDING PATTERN

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

Table 4 : Pattern of Shareholding by Ownership as on 31 March 2018

Category	As on 31 March 2018	
	Total No. of Shares	Percentage
1. Management Group / Families	6,61,72,209	49.92%
2. Institutional Investors		
a. Mutual Funds	2,73,98,269	20.67%
b. Banks, Financial Institutions, Insurance Companies	58,49,920	4.41%
c. FIs	1,77,33,571	13.38%
Total	5,09,81,760	38.46%
3. Others		
a. Bodies Corporate	56,44,177	4.26%
b. Indian Public	73,07,219	5.51%
c. NRIs	9,81,763	0.74%
d. Others	14,69,915	1.11%
Total	1,54,03,074	11.62%
Grand Total	132,557,043	100.00%

Table 5 : Pattern of Shareholding by Share Class as on 31 March 2018

Shareholding Class	No of shareholders	No of shares held	Shareholding %
1 to 500	48989	3402535	2.57
501 to 1,000	1653	1221474	0.92
1,001 to 2,000	694	1008737	0.76
2,001 to 3,000	210	522729	0.39
3,001 to 4,000	116	405110	0.30
4,001 to 5,000	82	385487	0.29
5,001 to 10,000	172	1272201	0.95
10,001 and above	332	124338770	93.80
Total	52248	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 Declaration, the Due Dates for Credit to IEPF and the Amounts

Year	Date of Declaration	Due Date for Credit to IEPF	Amount Lying Unpaid /Unclaimed as on 31 March 2018 (₹)
2011-12	27 July, 2012	28 September 2019	38,56,275.01
2012-13	26 July, 2013	27 September 2020	40,90,936.84
2013-14	30 July, 2014	02 October 2021	58,07,439.47
2014-15	31 July, 2015	01 October 2022	76,23,495.14
2015-16	11 March, 2016	09 May 2023	77,32,893.87
2016-17	15 February, 2017	14 April 2024	88,23,367.41
2017-18	28 February, 2018	03 May 2025	1,01,00,688.81

B. Transfer to IEPF :

During the year, the following transfer was made to IEPF :

Particulars	Amount (₹)	Date of Transfer
Unclaimed Equity dividend for 2009-10	30,38,905	25 August, 2017
Unclaimed Equity dividend for 2010-11	29,32,373	27 August, 2018

UNCLAIMED SHARES

In terms of the SEBI (LODR) Regulations, 2015, the Company had transferred equity shares which were lying unclaimed, into “CESC Unclaimed Suspense Account”, after issuing three 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 in the suspense account as on 1 April 2017	332	1, 69,777
2	No of shareholders who approached the Company for transfer of shares from the suspense account	12	1,729
3.	No of shareholders to whom shares were transferred from the suspense account	12	1,729
4.	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	320	1,68,048

For and on behalf of the Board of Directors

Kolkata, 14 November 2018

Sanjiv Goenka
Chairman

DECLARATION

As required under the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016, it is confirmed that all Directors and Senior Management Officers have affirmed compliance of the Code of Business Conduct and Ethics during the year 2017-18.

Kolkata, 14 November 2018

Rabi Chowdhury
Managing Director (Generation)

Debasish Banerjee
Managing Director (Distribution)

Annual Report on Corporate Social Responsibility Activities

undertaken during the year ended 31 March 2018 (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 a 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. Since the close of year the Committee has been reconstituted by induction of Mr. C. K. Dhanuka and Mr. R. Chowdhury in place of Mr. B. M. Khaitan and Mr. A. Basu.
3. Average net profit for the last three financial years: ₹ 964.68 cr
4. Prescribed CSR Expenditure (two percent of the above amount as in item 3 above) is ₹ 19.29 cr
5. (a) Total amount spent for the financial year 2017-18 is ₹ 19.35 cr
(b) Unspent amount for financial year 2017-18 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.	Development of children's park and bus stand	Environment	Titagarh Municipality, North 24 Parganas District, Kolkata (West Bengal)	6,00,000	6,01,525 (Direct)	6,01,525	Direct
2.	Maintenance of elevated green median strip in certain areas of the city of Kolkata	Environment	Kolkata, West Bengal	28,67,000	28,67,000	28,67,000	Through Implementing Agency (The Kolkata Municipal Corporation)
3.	Urja Chetana	Environment	Kolkata, North 24 Parganas District, South 24 Parganas District, Hooghly (West Bengal)	14,00,000	13,74,873	13,74,873	Through Implementing Agency (Centre for Environment Education)
4.	Setting up a Dialysis Unit in Titagarh Municipal Hospital	Health	Titagarh Municipality, North 24 Parganas District, Kolkata (West Bengal)	8,00,000	7,66,500 (Direct)	7,66,500	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
5.	Suswasthya	Health	Bhadreswar and Champdani Municipalities, Hooghly District. Kamarhati Municipality, North 24 Parganas District (West Bengal)	6,50,000	6,70,727	6,70,727	Through Implementing Agency (City Level Programme of Action for Street and Working Children)
6.	Nirmal Abhiyan	Education	Kolkata (West Bengal)	22,50,000	22,45,699	22,45,699	Through Implementing Agency (City Level Programme of Action for Street and Working Children)
7	Muktangan	Education	Kolkata, North 24 Parganas District, South 24 Parganas District (West Bengal)	13,00,000	13,13,623	13,13,623	Through Implementing Agency (Hope Kolkata Foundation)
8	Roshni	Education	Kolkata (West Bengal)	22,00,000	20,22,965	20,22,965	Through Implementing Agency (Child In Need Institute)
9	CESC Learning Labs	Education	Kolkata (West Bengal)	9,00,000	9,00,000	9,00,000	Through Implementing Agency (Next Education India Pvt. Ltd.)
10.	School Build Programme	Education	Kolkata, North 24 Parganas District, South 24 Parganas District (West Bengal)				Direct
i.	Renovation of Saradacharan Aryan Institution			5,00,000	4,90,310 (Direct)	4,90,310	
ii.	Renovation of Pujali Rajarampur Free Primary School			1,20,000	1,27,918 (Direct)	1,27,918	
iii.	Playground Development at Manuel Girls High School			1,60,000	1,65,200 (Direct)	1,65,200	
iv.	Renovation work at Kalipur Uttar Abaitanik School			3,00,000	3,19,210 (Direct)	3,19,210	
v.	Renovation of Khardah Muktab High School			3,50,000	3,79,144 (Direct)	3,79,144	
11	Nirmal Sankalp	Water and Sanitation (Community Development)	Titagarh Municipality, North 24 Parganas District, Kolkata (West Bengal)	55,00,000	56,92,472	56,92,472	Through Implementing Agency (Water, Sanitation and Hygiene Institute)
12	Hamari Awaaz	Child Protection (Community Development)	Kolkata (West Bengal)	5,00,000	4,95,973	4,95,973	Through Implementing Agency (Child In Need Institute)
13	Cancer cure	Health	India	5,50,800	5,50,800	5,50,800	Through Implementing Agency (HDFC Charity Fund)

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
14.	Setting up of an Institution of excellence	Sector Permitted by Schedule-VII to the Companies Act, 2013	Kolkata (West Bengal)	17,10,00,000	17,10,00,000	17,10,00,000	Through Implementing Agency (RP-SG Group CSR Trust.)
15	Jagriti	Livelihood Promotion (Community Development)	Titagarh Municipality, North 24 Parganas District, Kolkata (West Bengal)	2,00,000	2,16,001	2,16,001	Through Implementing Agency (NSHM Udaan Skills Pvt. Ltd.)
16	Saksham	Livelihood Promotion (Community Development)	Kolkata (West Bengal)	9,00,000	8,95,279	8,95,279	Through Implementing Agency (NSHM Udaan Skills Pvt. Ltd.)
17	Socio-economic Development of Specially Abled People	Livelihood Promotion (Community Development)	Kolkata (West Bengal)	4,50,000	4,32,544	4,32,544	Through Implementing Agency (Anudip Foundation for Social Welfare)
			Total	19,35,27,763	19,35,27,763	19,35,27,763	

6. Expenditure on account of CSR activities also includes a sum of ₹ 0.07 crore relates to an adjustment pursuant to the Scheme of Arrangement. (Refer note no. 51 to the financial statements for the year 2017-18).
7. 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
8. 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, 14 November 2018

Rabi Chowdhury
Managing Director (Generation) 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	2017-18
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 its neighborhood
10	Markets served by the company	Kolkata and its neighborhood in the state of West Bengal.

Section B : Financial Details of the Company

1	Paid-up Capital (in INR)	133.22 crore
2	Total Income (in INR)	7953.78 crore
3	Total profit after taxes (in INR)	864.66 crore
4	Total Spending on CSR as % profit after tax	2% of the average net profit of last three years
5	List of activities in which CSR expenses incurred	Please see Annexure – 'D' of Directors Report.

Section C : Other Details

1	Details on subsidiary companies	As on 31 March 2018, the Company has fifteen subsidiaries.
2	Participation of subsidiary companies in the BR initiatives of the parent company	The Company and its subsidiaries are participating in various BR /CSR initiatives in the local area in which it operates. The Company along with its subsidiaries has been parties in setting up and is also regularly contributing to RP-Sanjiv Goenka Group CSR Trust in order to carry out CSR projects as may be decided by the Trust from time to time.
3	Participation of other entities (suppliers, contractors etc) in the BR initiatives of the Company	No other entity participates in BR initiatives of the Company.

Section D : BR Information

1	Details of Director / Directors responsible for BR	CSR Committee of the Board of Directors of the Company formed in terms of Section 135 of the Companies Act, 2013 inter alia also monitors the BR functions of the Company.
a.	Details of director responsible for implementation of BR policies.	The CSR Committee of the Board functions under the Chairmanship of Mr. S. Goenka. As on 31 March 2018, the Committee also included Mr. B. M. Khaitan, a former Independent Director, and Mr. A. Basu, former Managing Director of the Company as Members. Since the close of year, the Committee has been reconstituted by induction of Mr. C. K. Dhanuka, Independent Director and Mr. R. Chowdhury, Managing Director (Generation) in place of Mr. B.M. Khaitan and Mr. A. Basu respectively. a) For the financial year 2017-18 Mr. A. Basu, former Managing Director and a former member of CSR Committee of the Board had the overall responsibility for BR activities. Details of Mr. A. Basu are given as under : i) DIN : 06593527 ii) Designation: Managing Director iii) Telephone Nos: 033 – 2225 6040 iv) Email id : secretarial@rp-sg.in

	b.	Details of BR Head	b) Since the close of the year, Mr. R. Chowdhury has been entrusted with the overall responsibility for BR activities. Details of Mr. R. Chowdhury are as under: i) DIN : 06601588 ii) Designation : Managing Director (Generation) iii) Telephone No. : 033 -2225 6040 iv) Email id : secretarial@rp-sg.in
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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?	i) Code of conduct : www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf ii) Whistle Blower Policy : www.cesc.co.in/wp-content/uploads/policies/WHISTLE_BLOWER_POLICY.pdf iii) 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. Stakeholders' Relationship Committee looks into the grievances of the Shareholders of the Company. Further, the Company also has in place a whistle blower mechanism to enable the Directors and employees of the Company to address their concerns about any instance of perceived irregularity, unethical practice and/or misconduct etc, to the Chairperson of the Audit Committee.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The evaluation of CSR activities undertaken by CESC and its subsidiaries in line with the CSR policies formulated in that behalf by the Company is done by the respective CSR Committees set up in terms of the Act. Policies are reviewed periodically for their implementation based on inputs received from the stakeholders.								

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	CSR Committee of the Board and senior management of the Company review the performance of respective policies covering the principle given in the Business Responsibility.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, annually The same is available on the website of the Company. The link for viewing Business Responsibility Report is http://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 in place a “Code of Business Conduct and Ethics” to serve as a source of guiding principles for the Directors and the senior management team.

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

In the event of violation of ethics, the particular cases are handle with necessary disciplinary action.

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

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

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

CESC is in the business of generation and distribution of electricity. Safety issues are given high importance and priority in the organization. There are Committees headed by senior officers with participants from the levels of supervisors and experienced workers who effectively contribute to the 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 a 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 the safety environment significantly.

CESC has always been involved in socially relevant projects. During important festivals, CESC participates in a social awareness initiative, focusing on safety, social responsibility and civic consciousness including energy conservation. Mailers on electrical safety, energy conservation and related aspects are sent to consumers on a regular basis to increase awareness amongst consumers. Regular visits to schools are also made to instill awareness among the students community.

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

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

Various innovative projects have been carried out to reduce our carbon footprint and to conserve energy. The Company has achieved 100% utilization of ash since 2000 and our dry fly ash has been fully utilised for conversion to a value added commodity. CESC generating stations always strive for ensuring water consumption below the stipulated norms and have been successful in ensuring zero liquid discharge.

Ash generated from all the thermal power stations is utilized in cement plants and in various value added products. 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/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 unit is done and opportunities are provided to competent vendors under this agreement 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 future growth.

Principle 3 : Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

Total Number of permanent employees : 8896

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	85
	Contractual Basis	5050

3. Please indicate the Number of permanent women employees.

Total Number of permanent women employees : 501

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

Total Number of employees with permanent disabilities : 31

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

As on 31 March 2018, 88.3% of our permanent employees are members of recognised trade union. The remaining non member employees are Management staff and junior Management staff.

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

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

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

% Safety training in the last year for undermentioned employees	No of persons	% of Total Strength in respective category
Permanent Employees	5044	56.7%
Permanent Women Employees	189	37.7%
Casual/ Temporary/ Contractual Employees	3698	72.0%
Employees with Partial Disability	16	51.6%

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

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

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

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

2. Out of the above, has the company identified the disadvantaged, vulnerable & 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
Standing Orders	Right to a fair trial	All workmen under company payroll
MOS on Wages for Contracted workmen	Ensuring compliance compensation	All Contracted employees
Recruitment Policy	No discrimination on the basis of caste, sex, creed & religion	Management staff & other 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?

One sexual harassment related complaint was received during the financial year and satisfactorily resolved.

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

CESC is aware of importance of environmental sustainability.

Regular energy audits are undertaken at various establishments of the Company and steps taken on an ongoing basis to improve energy efficiency. CESC House, the registered office of the Company, has got in 2015 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 applicable guidelines. Total capacity of grid connected Roof Top Solar PV Sources by the consumers is about 27 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. Significant progress has been achieved in controlling such thefts as a result of sustained efforts of the Company in this direction.

All the thermal power stations of CESC 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 show cause / legal notices are pending as at the end of the financial year.

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

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

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

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

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

Principle 8 : Businesses should support inclusive growth and equitable development

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

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

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

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

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

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

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

Education Projects

- 1. Mukangan – Remedial education programme for underprivileged children
- 2. Nirmal Abhiyan – Water and sanitation project in government schools
- 3. CESC Learning Labs – Setting up of digital Science and Maths Labs in government schools
- 4. Roshni – Integrated programme on child education, health, nutrition and protection
- 5. 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

Environment Projects :

1. Urja Chetana – Environment and energy education project in schools
2. Partnership with government / municipalities to maintain green verges in selected localities.

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
 5. Socio – economic Development Programme for specially- Abled Persons – Providing skill training to visually and orthopedically challenged.
5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

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

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

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

As on 31st March 2018, negligible percentage of customer complaints are pending. The Company's centralised 24x7 call centre to address Supply & Billing related issues acts as the primary touch point for all complaints and queries. This year, we extended the 24-hour Call Centre for our HT Consumers as well. All calls are guided through Interactive Voice Recording System (IVR) and are docketed and routed to concerned department for quick resolution. Regular chat sessions with the Managing Director and senior leadership team continued with an overwhelming response and participation of more than 1,300 consumers in 48 such chat sessions. During 2017-18, engagement levels remained high on CESC's social media network also.

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

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

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

There are no cases pending with regard to unfair trade practices, irresponsible advertising and / or anti competitive behaviour as on 31st March 2018.

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

Customer Satisfaction Surveys are key indicator parameters to measure levels of customer satisfaction. These surveys are conducted on a regular basis across all segments i.e. commercial, industrial and residential consumers. Further an Annual Perception and digital survey is carried out by a renowned market research agency. The Company has in place a feedback mechanism which enables it to understand what its Customers want and whether they are satisfied with the existing services or not. Based on the feedback from the Customers, the management identifies the key improvement areas which are shared with the concerned departments and accordingly necessary action is taken thereon.

Further, based on the feedbacks from the Customers, with a view to improve Customer satisfaction and reduce consumer complaints, CESC has launched a few special offerings like Proactive Complaint Management, Commercial Helpline & Centralized Complaint Management Centre etc.

For and on behalf of the Board of Directors

Kolkata, 14 November, 2018

Sanjiv Goenka
Chairman

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED – 31.03.2018

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

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

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors' Report on Financial Statements and Certificate on compliance of conditions of Corporate Governance and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has, during the audit period covering the financial year ended on 31.03.2018 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 31.03.2018 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-Sanjeev Goenka Group CSR Trust which was registered on 17th February, 2015 with the Additional Registrar of Assurance, Kolkata. A sum of ₹ 17.10 crores was contributed to the Trust towards CSR activities during the year.

Total amount required to be spent by the Company on CSR was ₹ 19.29 crores and the amount spent during the year under report was ₹ 19.35 crore, other than a sum of ₹ 0.07 crore arising out of adjustment pursuant to implementation of a Composite Scheme of Arrangement referred to later in this report.

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

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

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

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

3. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. Based on the compliance mechanism established by the Company and on the basis of the certificates placed before the Board and taken on record by the Directors at their meetings, we are of the opinion that the Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and the Company has complied with the following laws specifically applicable to it, as reported to us:-
 - (i) The Electricity Act, 2003 and the Electricity Rules, 2005.
 - (ii) The Factories Act, 1948.
 - (iii) The Payment of Bonus Act, 1965.
 - (iv) The Industrial Disputes Act, 1947.
 - (v) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
 - (vi) The Employees' State Insurance Act, 1948.

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

1. On expiry of the term of office as Managing Director Mr. Aniruddha Basu had ceased to be a Director w.e.f 28th May, 2018 and the Board has appointed Mr. Debasish Banerjee as Managing Director (Distribution) and Mr. Rabi Chowdhury as Managing Director (Generation) of the Company each for a period of 5 years w.e.f 28th May, 2018. Both of them have been appointed by the Board as Additional Directors of the Company subject to requisite approvals of Shareholders in the next Annual General Meeting.
2. In order to lay specific focus on its operations and investments in the areas, inter- alia, of power distribution, generation, organized retail and other ventures, including business process outsourcing and property by way of due alignment, the Board of Directors of CESC Limited at its meeting held on 18th May, 2017 approved, subject to necessary approvals, a composite Scheme of Arrangement u/s 230 to 232 and other applicable provisions of the Companies Act, 2013 (the Scheme) involving the Parent and nine of its subsidiaries. The Scheme provides for restructuring of the Company and its undertakings referred to in the Scheme into four listed entities, focused on the above

referred four verticals, the appointed date being 1st October, 2017.

The Company has since received certified copy of the NCLT Order sanctioning the Scheme subject to a condition that demerger of its generation undertaking shall be effective upon approval of the Power Purchase Agreement between the generation and distribution companies from the Hon'ble West Bengal Electricity Regulatory Commission ("WBERC").

Pending receipt of the above approval from WBERC, the Board of Directors of the Company at its meeting held on 12 October, 2018 has decided that with effect from 1 October 2017 – the Appointed Date specified in the Scheme – the non-power investments of the Company would be demerged into two entities as was planned in the Scheme, viz. organized retail and other ventures. Each shareholder of the Company registered on the Record Date fixed for the purpose would be entitled to fully paid shares, in the ratio set out in the Scheme, of the new retail

and venture companies namely RP-SG Retail Limited and RP-SG Business Process Services Limited.

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 : 14 November, 2018

Enclo : Annexure forming an integral part of this Report

(S. M. Gupta)

Partner

S. M. Gupta & Co.,

Company Secretaries

Firm Registration No. : P1993WB046600

Membership No.- FCS No:896

C P No:2053

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

“Annexure ”

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 : 14 November, 2018

(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 2018.

A. Conservation of Energy

Following measures taken over the year has contributed to Energy Conservation & Reduction of Losses in Distribution Network.

1. Reactive power compensation by way of installing Automatic Power Factor Controllers (APFC) at the secondary (400V) side of distribution transformers (DTs) . This year 90 MVAR has been 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 more than 1 lakh old electromechanical meters.
6. Installing 1623 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. Third 160 MVA 220/132 kV transformer at New Cossipore Substation.
 - b. 220 kV underground second circuit connecting EM Substation and New Cossipore Substation has been commissioned.
 - c. Augmentation of 50 MVA, 132/33 kV Transformer No. 1 to 100 MVA at Botanical Garden Substation.
 - d. Old and ageing 55 MVA, 132/ 33 kV transformer at Chakmir Substaion was replaced by a 75 MVA Transformer. The installed capacity of 220/132/33 kV Substations stands at 1280 MVA and that of 132/33 kV Substations at 3002 MVA at end of FY 17-18.
 - e. At the 33/11-6 kV Distribution Station level, 70 MVA of capacity was added taking the total installed base to 3800 MVA across 116 Stations.
 - f. 104 Nos Distribution Transformers (DTs) aggregating 44.1 MVA were added during the year taking the installed base to 8249 DTs and 2785 MVA.
 - g. Commissioning of 7 panels 132 kV and 57 panels 33 kV Gas Insulated Switchgear.
 - h. Lengths of lines added at different voltage levels were: 2 ckm at 220 kV, 12.9 ckm at 132 kV, 31.4 ckm at 33 kV, 131.5 ckm at 11 & 6 kV and 187 ckm of LT lines. The overall lengths of lines at the different voltages at FY end are shown in the Major Statistics attached with this Report.

Impact of the measures

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

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

C. Technology Absorption

- Induction of Pre Engineered Steel Building for installation of 132kV GIS switchgears for optimum space utilization, faster construction and station capacity of substations in the same space.
- Use of fully bio-degradable Ester Oil in place of conventional mineral oil based transformer oil in DTRs and 33/11-6 KV Power Transformer for enhancing fire safety threshold and environment friendly transformer cooling medium.
- Portable Outdoor Power Distribution Centre (PDC) i.e. a containerized E-House at a Distribution Station for optimizing space utilization, cost and reduction of execution time has been planned for two distribution stations.
- IEC 61850 based IEDs (Intelligent Electronic Devices) in protection system in EHV substations with OF networking for centralized analyzing of system disturbance and is an on-going drive.

- Feeder automation, OF based Remote controlled operation of RMUs and Consumer Modules for restoration of supply. Installation of AMR in DTRs for energy auditing and it is an on-going process.
- AMI based smart metering as a pilot project.
- Installation of APFC controllers on DTRs continues for effective capacity utilization and loss reduction (900 APFC installed in this year).
- Installation of centralized Video surveillance system in the power cable tunnel (constructed in 1931) under the river Hooghly and at different EHV substations.
- Installation of SCADA through wireless at fringe area Distribution substations.
- Smart whole current meters with Net Metering facility are being installed at the LT consumers' premises with Solar Photo Voltaic sources for net metering.
- Online Partial Discharge monitoring using the new UHF technique for detecting incipient faults in EHV / HV power transformers and switchgears.
- Pilot for the emerging online PD measurement technology using HFCT (High Frequency Current Transformer) technique for monitoring live cables
- Pilot for real-time monitoring of hot spot in out door yard using thermal cameras
- Self-healing Distribution Station has been rolled out for 2 stations for faster restoration, without any manual intervention, in case of 33kV cable fault.
- Special initiatives in LT Automation for better customer service and improvement in operational efficiency have been initiated on trial basis.
- Research and Development activities continued to be an area of focus for the Company for achieving constant improvements in various operational functions for enhancing quality, productivity and consumer satisfaction. The expenses on such activities have been ₹ 0.36 crore during the year.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

There have been no foreign exchange earnings (previous year- ₹ 0.05cr) during the year. The total foreign exchange outgo was ₹ 1.93 cr.

For and on behalf of the Board of Directors

Sanjiv Goenka
Chairman

Kolkata, 14 November 2018

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, 2018

[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 5155 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	35102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES						
Sr No	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Au Bon Pain Café India Limited	Duncan House 31 Netaji Subhas Road Kolkata -700001	U15411WB2008PLC124062	Subsidiary	93.10	2(87)
2	Haldia Energy Limited (HEL)	Barick Bhawan, 6th Floor 8 C R Avenue, Kolkata 700072	U74210WB1994PLC066154	Subsidiary	100.00	2(87)
3	Dhariwal Infrastructure Limited (DIL)	CESC House Chowringhee Square Kolkata 700 001	U70109WB2006PLC111457	Subsidiary	100.00	2(87)
4	Surya Vidyut Limited (SVL)	CESC House Chowringhee Square Kolkata 700 001	U40108WB2010PLC150712	Subsidiary	100.00	2(87)
5	Nalanda Power Company Limited	6 Church Lane , 1st Floor, Kolkata 700001	U40104WB2008PLC125228	Subsidiary	100.00	2(87)
6	CESC Projects Limited	CESC House Chowringhee Square Kolkata 700 001	U74999WB2011PLC163658	Subsidiary	100.00	2(87)
7	Bantal Singapore Pte Ltd	38 Beach Road # 29-11 South Beach Tower Singapore-189767	Foreign Company	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
8	Pachi Hydropower Projects Limited	Thapar House, Second Floor, Western Wing Gate No 2 124, Janpath New Delhi 110001	U40109DL2007PLC171032	Subsidiary	100.00	2(87)
9	Papu Hydropower Projects Limited	Thapar House, Second Floor, Western Wing Gate No 2 124, Janpath New Delhi 110001	U40109DL2007PLC171035	Subsidiary	100.00	2(87)
10	Ranchi Power Distribution Company Limited	Barick Bhawan, 6th Floor 8 C R Avenue, Kolkata 700072	U40102WB2012PLC188244	Subsidiary	100.00	2(87)
11	Crescent Power Ltd	6 Church Lane, 1st Floor P.S. Hare Street Kolkata 700001	U70101WB2004PLC099945	Subsidiary	67.83	2(87)
12	Kota Electricity Distribution Limited	CESC House Chowringhee Square Kolkata 700 001	U40100WB2012PLC181283	Subsidiary	100.00	2(87)
13	Bikaner Electricity Supply Limited	CESC House Chowringhee Square Kolkata 700 001	U40100WB2012PLC181372	Subsidiary	100.00	2(87)
14	Bharatpur Electricity Services Limited	CESC House Chowringhee Square Kolkata 700 001	U40100WB2012PLC181314	Subsidiary	100.00	2(87)
15	CESC Green Power Limited	CESC House Chowringhee Square Kolkata 700 001	U74999WB2017PLC219352	Subsidiary	100.00	2(87)
16	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)
17	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 of the year (As on 01.04.2017)				No of shares held at the end of the year (As on 31.03.2018)				% 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	65887987	-	65887987	49.71	65887987	-	65887987	49.71	-
	(e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
	(f)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(1)		66172209	-	66172209	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)		66172209	-	66172209	49.92	66172209	-	66172209	49.92	-
(B)	Public Shareholding										
[1]	Institutions										
	(a)	Mutual Funds	23384107	5385	23389492	17.64	27393284	4985	27398269	20.67	3.03
	(b)	Financial Institutions / Banks	3469315	24315	3493630	2.64	188046	5465813	5653859	4.26	1.62
	(c)	Central Government/ State Government(s)	200	2152	2352	-	8351	2152	10503	0.00	0.00
	(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
	(e)	Insurance Companies	-	-	-	-	188046	8015	196061	0.15	0.15
	(f)	Foreign Portfolio Investor	27935519	8452	27943971	21.08	17725119	8452	17733571	13.38	-7.70
	(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
	(h)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)		54789141	40304	54829445	41.36	45502846	5489417	50992263	38.46	-2.90
[2]	Non-Institutions										
	(a)	Bodies Corporate -									
	(i)	Indian	2958690	2706444	5665134	4.27	2945666	2698511	5644177	4.26	-0.01
	(ii)	Overseas	203200	112980	316180	0.24	111937	514	112451	0.08	-0.16
	(b)	Individuals									
	(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	2826969	932918	3759887	2.84	5358054	899825	6257879	4.72	1.88
	(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	504599	32357	536956	0.41	1027461	21879	1049340	0.79	0.38

Sr. No.	Category of Shareholders		No of Shares held at the beginning of the year (As on 01.04.2017)				No of shares held at the end of the year (As on 31.03.2018)				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	(c)	Any Other (Specify)									
		(i) NRI/ OCBs	160185	472175	632360	0.48	519578	462185	981763	0.74	0.26
		(ii) Clearing Member	337872	-	337872	0.25	352904	-	352904	0.27	0.02
		(iii) Trusts	7140	-	7140	0.01	495542	-	495542	0.37	0.36
		(iv) Foreign Nationals	17629	-	17629	0.01	17379	1214	18593	0.01	-
		(v) Hindu Undivided Family	101722	-	101722	0.08	303942	-	303942	0.23	0.15
		(vi) Unclaimed Shares	-	169777	169777	0.13	-	168048	168048	0.13	-
		Sub Total (B)(2)	7118006	4426651	11544657	8.71	11132463	4252176	15384639	11.61	2.90
		Total Public Shareholding (B)=(B)(1)+(B)(2)	61907147	4466955	66374102	50.07	56635309	9741593	66376902	50.07	-
		Total (A)+(B)	128079356	4466955	132546311	99.99	122807518	9741593	132549111	99.99	-
(C)		Shares held by Custodian for GDRs and ADRs	10732	-	10732	0.01	7932	-	7932	0.01	-
		Total (A)+(B)+(C)	128090088	4466955	132557043	100.0	122815450	9741593	132557043	100	-

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% 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	44.36%	-	0.01%
2	Stel Holdings Limited	2493470	1.88%	-	2493470	1.88%	-	0.00%
3	Goodluck Dealcom Private Limited	1686198	1.27%	-	-	0.00%	-	-1.27%
4	Philips Carbon Black Limited	-	0.00%	-	1686198	1.27%	-	1.27%
5	Saregama India Limited	1259988	0.95%	-	1259988	0.95%	-	0.00%
6	Integrated Coal Mining Limited	1075364	0.81%	-	1075364	0.81%	-	0.00%
7	Kolkata Metro Networks Limited	285000	0.22%	-	285000	0.22%	-	0.00%
8	Sanjiv Goenka	258498	0.20%	-	134794	0.10%	-	-0.09%
9	Sanjiv Goenka (HUF)	-	-	-	12296	0.01%	-	0.01%
10	Dotex Merchandise Private Limited	41335	0.03%	-	41335	0.03%	-	0.00%
11	Preeti Goenka	25223	0.02%	-	25223	0.02%	-	0.00%
12	Avarna Goenka .	501	0.00%	-	501	0.00%	-	0.00%
13	Shashwat Goenka	-	0.00%	-	111408	0.08%	-	0.08%
14	Castor Investments Limited	250000	0.19%	-	250000	0.19%	-	0.00%
	Total	66172209	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 01.04.2017)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31.03.2018)	
		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	58796632	44.3557				
	Increase/Decrease in Shareholding during the year						
	At the end of the year					58796632	44.3557
2	STEL HOLDINGS LIMITED						
	At the beginning of the year	2493470	1.8811				
	Increase/Decrease in Shareholding during the year						
	At the end of the year					2493470	1.8811
3	PHILLIPS CARBON BLACK LIMITED						
	At the beginning of the year	0	0			0	0
	Transfer			02 Mar 2018	1686198	1686198	1.2721
	At the end of the year					1686198	1.2721
4	SAREGAMA INDIA LIMITED						
	At the beginning of the year	1259988	0.9505				
	Increase/Decrease in Shareholding during the year						
	At the end of the year					1259988	0.9505
5	INTEGRATED COAL MINING LIMITED						
	At the beginning of the year	1075364	0.8112				
	Increase/Decrease in Shareholding during the year						
	At the end of the year					1075364	0.8112
6	KOLKATA METRO NETWORKS LIMITED						
	At the beginning of the year	285000	0.215				
	Increase/Decrease in Shareholding during the year						
	At the end of the year					285000	0.215
7	CASTOR INVESTMENTS LIMITED						
	At the beginning of the year	250000	0.1886				
	Increase/Decrease in Shareholding during the year						
	At the end of the year					250000	0.1886
8	SANJIV GOENKA						
	At the beginning of the year	258498	0.195				
	Transfer			Jan 2018 19	-123704	134794	0.1017
	At the end of the year					134794	0.1017
9	SHASHWAT GOENKA						
	At the beginning of the year	0	0			0	0
	Transfer			19 Jan 2018	111408	111408	0.084
	At the end of the year					111408	0.084

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2017)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31.03.2018)	
		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
10	DOTEX MERCHANDISE PRIVATE LIMITED						
	At the beginning of the year	41335	0.0312				
	Increase/Decrease in Shareholding during the year						
	At the end of the year					41335	0.0312
11	PREETI GOENKA						
	At the beginning of the year	25223	0.019				
	Increase/Decrease in Shareholding during the year						
	At the end of the year					25223	0.019
12	SANJIV GOENKA - HUF						
	At the beginning of the year	0	0				
	Transfer			19 Jan 2018	12296	12296	0.0093
	At the end of the year					12296	0.0093
13	GOODLUCK DEALCOM PRIVATE LIMITED						
	At the beginning of the year	1686198	1.2721				
	Transfer			Feb 2018 23	-1686198	0	0
	At the end of the year					0	0

(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 01.04.2017)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31.03.2018)	
		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 At the beginning of the year Increase/Decrease in Shareholding during the year At the end of the year	11930021	9.00			11930021	9.00
2	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND At the beginning of the year	679535	0.51			679535	0.51
	Transfer			07 Apr 2017	50600	730135	0.55
	Transfer			14 Apr 2017	255200	985335	0.74
	Transfer			21 Apr 2017	50600	1035935	0.78
	Transfer			28 Apr 2017	168303	1204238	0.91
	Transfer			26 May 2017	-366346	837892	0.63
	Transfer			02 Jun 2017	-13200	824692	0.62
	Transfer			09 Jun 2017	-1100	823592	0.62
	Transfer			16 Jun 2017	-15400	808192	0.61
	Transfer			30 Jun 2017	8800	816992	0.62
	Transfer			04 Aug 2017	98308	915300	0.69
	Transfer			11 Aug 2017	-15400	899900	0.68
	Transfer			18 Aug 2017	40500	940400	0.71
	Transfer			25 Aug 2017	89600	1030000	0.78
	Transfer			01 Sep 2017	61600	1091600	0.82
	Transfer			08 Sep 2017	49477	1141077	0.86
	Transfer			15 Sep 2017	-69	1141008	0.86
	Transfer			22 Sep 2017	45100	1186108	0.89
	Transfer			29 Sep 2017	-5547	1180561	0.89
	Transfer			06 Oct 2017	145409	1325970	1.00
	Transfer			13 Oct 2017	26400	1352370	1.02
	Transfer			27 Oct 2017	13200	1365570	1.03
	Transfer			03 Nov 2017	-23	1365547	1.03
	Transfer			10 Nov 2017	-3850	1361697	1.03
	Transfer			17 Nov 2017	-19250	1342447	1.01
	Transfer			24 Nov 2017	609000	1951447	1.47
	Transfer			01 Dec 2017	236500	2187947	1.65
	Transfer			08 Dec 2017	1100	2189047	1.65
	Transfer			22 Dec 2017	26950	2215997	1.67
	Transfer			29 Dec 2017	-20934	2195063	1.66
	Transfer			05 Jan 2018	96300	2291363	1.73
	Transfer			12 Jan 2018	-50007	2241356	1.69
	Transfer			02 Feb 2018	-1	2241355	1.69
	Transfer			09 Feb 2018	-2205	2239150	1.69
	Transfer			23 Feb 2018	34100	2273250	1.71
	Transfer			02 Mar 2018	377850	2651100	2.00

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2017)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31.03.2018)	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of shares	No. of shares held	% of total shares of the Company
	Transfer			16 Mar 2018	3850	2654950	2.00
	Transfer			31 Mar 2018	-30000	2624950	1.98
	AT THE END OF THE YEAR					2624950	1.98
3	BNK CAPITAL MARKETS LTD	2500000	1.89				
	AT THE END OF THE YEAR					2500000	1.89
4	LIFE INSURANCE CORPORATION OF INDIA						
	At the beginning of the year	2211282	1.67				
	Increase/Decrease in Shareholding during the year						
	At the end of the year					2211282	1.67
5	ICICI PRUDENTIAL EQUITY ARBITRAGE FUND						
	At the beginning of the year	2600094	1.96			2600094	1.96
	Transfer			14 Apr 2017	-13111	2586983	1.95
	Transfer			21 Apr 2017	-279355	2307628	1.74
	Transfer			12 May 2017	-253849	2053779	1.55
	Transfer			19 May 2017	-927175	1126604	0.85
	Transfer			09 Jun 2017	-2828	1123776	0.85
	Transfer			21 Jul 2017	-101251	1022525	0.77
	Transfer			15 Sep 2017	-37400	985125	0.74
	Transfer			22 Sep 2017	-7700	977425	0.74
	Transfer			27 Oct 2017	190124	1167549	0.88
	Transfer			03 Nov 2017	25217	1192766	0.90
	Transfer			10 Nov 2017	9660	1202426	0.91
	Transfer			17 Nov 2017	48389	1250815	0.94
	Transfer			08 Dec 2017	36814	1287629	0.97
	Transfer			15 Dec 2017	277851	1565480	1.18
	Transfer			22 Dec 2017	18523	1584003	1.19
	Transfer			29 Dec 2017	-244494	1339509	1.01
	Transfer			05 Jan 2018	11370	1350879	1.02
	Transfer			12 Jan 2018	29700	1380579	1.04
	Transfer			19 Jan 2018	183150	1563729	1.18
	Transfer			09 Feb 2018	99980	1663709	1.26
	Transfer			23 Feb 2018	21284	1684993	1.27
	Transfer			09 Mar 2018	-382907	1302086	0.98
	Transfer			31 Mar 2018	260150	1562236	1.18
	AT THE END OF THE YEAR					1562236	1.18
6	DSP BLACKROCK EQUITY OPPORTUNITIES FUND	2530578	1.91			25,30,578	1.91
	At the beginning of the year	179707	0.14			179707	0.14
	Transfer			28 Apr 2017	-10212	169495	0.13
	Transfer			05 May 2017	-26502	142993	0.11
	Transfer			12 May 2017	-133093	9900	0.01

SI No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2017)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31.03.2018)	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of shares	No. of shares held	% of total shares of the Company
	Transfer			26 May 2017	175168	185068	0.14
	Transfer			02 Jun 2017	26400	211468	0.16
	Transfer			07 Jul 2017	1100	212568	0.16
	Transfer			14 Jul 2017	36170	248738	0.19
	Transfer			28 Jul 2017	44855	293593	0.22
	Transfer			04 Aug 2017	403358	696951	0.53
	Transfer			11 Aug 2017	33626	730577	0.55
	Transfer			18 Aug 2017	1563	732140	0.55
	Transfer			25 Aug 2017	108542	840682	0.63
	Transfer			01 Sep 2017	185200	1025882	0.77
	Transfer			22 Sep 2017	-424	1025458	0.77
	Transfer			29 Sep 2017	47795	1073253	0.81
	Transfer			06 Oct 2017	87789	1161042	0.88
	Transfer			13 Oct 2017	11941	1172983	0.88
	Transfer			20 Oct 2017	-480	1172503	0.88
	Transfer			27 Oct 2017	11000	1183503	0.89
	Transfer			24 Nov 2017	37707	1221210	0.92
	Transfer			15 Dec 2017	20100	1241310	0.94
	Transfer			12 Jan 2018	-18588	1222722	0.92
	Transfer			19 Jan 2018	-13708	1209014	0.91
	Transfer			26 Jan 2018	-27931	1181083	0.89
	Transfer			02 Feb 2018	89650	1270733	0.96
	Transfer			23 Feb 2018	87822	1358555	1.02
	Transfer			09 Mar 2018	49351	1407906	1.06
	Transfer			16 Mar 2018	108261	1516167	1.14
	AT THE END OF THE YEAR					1516167	1.14
7	ABU DHABI INVESTMENT AUTHORITY - LGLINV						
	At the beginning of the year	1368323	1.03			1368323	1.03
	Increase/Decrease in Shareholding during the year						
	At the end of the year					1368323	1.03
8	ROCHDALE EMERGING MARKETS - MAURITIUS						
	At the beginning of the year	1531688	1.15			1531688	1.16
	Transfer			29 Sep 2017	-124000	1407688	1.06
	Transfer			03 Nov 2017	-240000	1167688	0.88
	Transfer			05 Jan 2018	185000	1352688	1.02
	At the end of the year					1352688	1.02
9	UTI- BALANCED FUND						
	At the beginning of the year	89177	0.07			89177	0.07
	Transfer			14 Apr 2017	2200	91377	0.07
	Transfer			21 Apr 2017	2200	93577	0.07
	Transfer			28 Apr 2017	38500	132077	0.10

SI No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2017)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31.03.2018)	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of shares	No. of shares held	% of total shares of the Company
	Transfer			12 May 2017	88606	220683	0.17
	Transfer			19 May 2017	87400	308083	0.23
	Transfer			26 May 2017	142737	450820	0.34
	Transfer			09 Jun 2017	-7677	443143	0.33
	Transfer			16 Jun 2017	29117	472260	0.36
	Transfer			30 Jun 2017	55627	527887	0.40
	Transfer			07 Jul 2017	-26477	501410	0.38
	Transfer			14 Jul 2017	9395	510805	0.39
	Transfer			21 Jul 2017	120762	631567	0.48
	Transfer			28 Jul 2017	46300	677867	0.51
	Transfer			04 Aug 2017	-44000	633867	0.48
	Transfer			11 Aug 2017	-1100	632767	0.48
	Transfer			25 Aug 2017	1100	633867	0.48
	Transfer			08 Sep 2017	38500	672367	0.51
	Transfer			15 Sep 2017	-3300	669067	0.50
	Transfer			22 Sep 2017	-1378	667689	0.50
	Transfer			20 Oct 2017	-26240	641449	0.48
	Transfer			03 Nov 2017	4400	645849	0.49
	Transfer			17 Nov 2017	78705	724554	0.55
	Transfer			08 Dec 2017	117436	841990	0.64
	Transfer			15 Dec 2017	-20350	821640	0.62
	Transfer			19 Jan 2018	7700	829340	0.63
	Transfer			26 Jan 2018	12650	841990	0.64
	Transfer			02 Feb 2018	-39877	802113	0.61
	Transfer			09 Feb 2018	58185	860298	0.65
	Transfer			16 Feb 2018	34033	894331	0.67
	Transfer			23 Feb 2018	35000	929331	0.70
	Transfer			09 Mar 2018	49500	978831	0.74
	Transfer			16 Mar 2018	59558	1038389	0.78
	Transfer			23 Mar 2018	49000	1087389	0.82
	Transfer			31 Mar 2018	150028	1237417	0.93
	AT THE END OF THE YEAR					1237417	0.93
10	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA FUND At the beginning of the year	1328637	1.00			1328637	1.00
	Transfer			26 May 2017	50000	50000	0.04
	Transfer			18 Aug 2017	17706	67706	0.05
	Transfer			06 Oct 2017	-50000	17706	0.01
	Transfer			15 Dec 2017	-100000	-82294	-0.06
	Transfer			22 Dec 2017	-25000	-107294	-0.08
	Transfer			29 Dec 2017	-25000	-132294	-0.10
	Transfer			31 Mar 2018	11205	-121089	-0.09
	AT THE END OF THE YEAR					1207548	0.91

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Directors and KMPs	Shareholding at the beginning of the year (As on 01.04.2017)		Shareholding at the beginning of the year (As on 31.03.2018)	
		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	0.195	134794	0.1017
2.	Mr. Aniruddha Basu	110	0.00	110	0.00
B)	Key managerial personnel (KMP's)				
3.	Mr. Subhasis Mitra	103	0.00	103	0.00
4.	Mr. Rajarshi Banerjee	114	0.00	114	0.00
At the End of the year		258825	0.20	135121	0.1017

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	5285.42	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
Change in Indebtedness during the financial year				
• Addition	1,140.00	—	—	1,140.00
• Reduction	-1,065.97	-100.00	—	-1,165.97
Net Change	74.03	-100.00	—	-25.97
Indebtedness at the end of the financial year				
i) Principal Amount	5,359.45	600.00	—	5,959.45
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	10.65	—	—	10.65
Total (i+ii+iii)	5,370.10	600.00	—	5,970.10

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director :

(₹ crore)

Sl. No.	Particulars of Remuneration	Total Amount
		Mr Aniruddha Basu
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.16
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—
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	0.66
	Total	4.25
	Ceiling as per the Companies Act, 2013	56.21

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	0.07	0.12	0.11	0.06	0.05	0.06	0.47
	(b) Commission	0.10	0.10	0.10	0.10	0.10	0.10	0.60
	(c) Others	—	—	—	—	—	—	—
	Total(1)	0.17	0.22	0.21	0.16	0.15	0.16	1.07
2.	Other Non Executive Directors	S. Goenka						
	(a) Fee for attending board and committee meetings	0.17						0.17
	(b) Commission	32.13						32.13
	(c) Others	—						—
	Total(2)	32.30						32.30
	Total(B)=(1+2)	—						33.37
	Total Managerial Remuneration	—	—	—	—	—	—	37.62
	Overall ceiling as per the Companies Act, 2013	—	—	—	—	—	—	131.99

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

(₹ crore)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	CFO
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.87	1.74
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.08	0.20
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	– as % of profit		
	– others		
5.	Others – Contribution to Provident Fund, Superannuation Fund and Gratuity Fund	0.52	0.31
	Total	2.47	2.25

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, 14 November 2018

 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 2017-18 and increase in their remuneration during the said financial year (Percentage) is 57.23:1 (27.13%), 2.02 : 1 (-16.67%), 2.83 : 1 (5.00%), 434.75 : 1 (37.6 %), 2.15 : 1 (6.67%), 2.29 : 1 (-5.56%), 2.96 : 1 (10.00%) and 2.15 : 1 (-5.88%) respectively. The increase in remuneration of the Executive Director & CFO and the Company Secretary during the said financial year was 21.21 and 25.70 respectively. During the said financial year, there was an increase of 6.72 % in the median remuneration of employees on the rolls as at 31 March, 2018. There were 8896 permanent employees on the rolls of Company as on the said date. (2) During the financial year 2017-18 the average increase in remuneration was 8.12% (3)The average percentage increase in the salaries of employees on roll as at 31.3.2018 other than the managerial personnel was 7.03 % in 2017-18 whereas the increase in the managerial remuneration for the same financial year was 14.49%. (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, 14 November, 2018

Sanjiv Goenka
Chairman

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of CESC Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of CESC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information in which is incorporated the financial statements of CESC Infrastructure Limited ("CIL" "Transferor Company"), merged with the Company pursuant to the scheme of arrangement with effect from October 1, 2017 being the appointed date (Refer note 52 to the standalone financial statements), derived from the audited financial statements for the year ended March 31, 2018 and 6 months period ended September 30, 2017 audited by another firm of the Chartered Accountants (refer clause 1 in other matter paragraph below).

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, 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. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's 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 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. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor for the Transferor Company in terms of their report referred to in clause 1 of the Other Matters Paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the report of the other auditor on the Ind AS financial statements/ financial information for the Transferor Company referred to in clause 1 of the Other Matters Paragraph below, the 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, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 52 to the standalone Ind AS financial statements of the Company, in respect of Composite Scheme of Arrangement amongst the Company and few of its subsidiary companies, which was approved vide Order issued by National Company Law Tribunal ("NCLT") dated March 28, 2018 received by the Company on 5th October 2018 (the Scheme). The NCLT Order made the demerger of the Generation undertaking effective after approval of the Power Purchase Agreement (PPA) between the Company and Haldia Energy Limited by West Bengal Electricity Regulatory Commission (WBERC) (still pending), and rest of the scheme from the appointed date, viz., 1 October 2017. Consequently, rest of the scheme, comprising demerger of Retail undertaking 1 and the IT undertaking, and merger of three subsidiary companies, namely CESC Infrastructure Limited, Spencers Retail Limited (post demerger of Retail undertaking 2 as per the scheme) and Music World Limited, have been implemented from the appointed date as per the NCLT Order rather than from effective date for the

Independent Auditors' Report

To the Members of CESC Limited



demergers and first day of the previous period presented for the mergers. Our opinion is not qualified in respect of this matter.

Other Matters

- 1) We did not audit the financial statements and other financial information of transferor Company included in the accompanying standalone Ind AS financial statements of the Company whose financial statements and other financial information reflect total assets of Rs.3821.08 crore as at March 31, 2018 and total revenues of Rs. 1.52 crore for the 6 months period ended on that date. The financial statements and other financial information of the said entity have been audited by other firm of Chartered Accountants whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the transferor Company, is based solely on the report of such auditors. Our opinion is not modified in respect of this matter.
- 2) The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 18, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and based on the report of the other auditor for the Transferor Company referred to in clause 1 of the Other Matters Paragraph above we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts required by law have been kept by the Company so far as it appears from our examination of those books and report of other auditors on financial statements / financial information for the transferor Company as referred in clause 1 in other matter paragraph above;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account and the financial statements / financial information of the Transferor Company audited by the other auditor referred to in clause 1 of the Other Matters Paragraph above;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report dated November 14, 2018 in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2018 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the report of the other auditor on the financial statements/ financial information for the Transferor Company referred to in clause 1 of the Other Matters Paragraph above:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

ICAI Firm Registration Number : 301003E/E300005

Per Kamal Agarwal
Partner

Kolkata
November 14, 2018

Membership No. : 058652

Annexure '1' to Independent Auditors' Report

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets except those in transmission and distribution system for which we have been informed that physical verification is not possible, have been physically verified by the management according to phased programme designed to cover all items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have substantially been confirmed by them as at March 31, 2018 and no material discrepancies were noticed in respect of such confirmations.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. Provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees and securities given have been complied with by the company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the generation and distribution of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed

examination of the same.

- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows :

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

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to bank. The Company did not have any outstanding loans or borrowings in respect of a financial institution or Government or dues to debenture holders during the year.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer or debt instruments.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid /

provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under

clause 3(xiv) are not applicable to the company and, not commented upon.

- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S. R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number : 301003E/E300005

Per Kamal Agarwal

Partner

Membership No. : 058652

Kolkata

November 14, 2018

Annexure '2' to Independent Auditors' Report

Annexure 2 to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of CESC Limited

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

We have audited the internal financial controls over financial reporting of CESC Limited ("the Company") as of March 31, 2018 which includes the internal financial controls over financial reporting of CESC Infrastructure Limited (Transferor Company) audited by another firm of Chartered Accountants (Refer Other Matters Paragraph below) in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor for the Transferor Company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these financial statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these standalone Ind AS financial statements

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

Opinion

In our opinion and based on the report of the other auditor on

Annexure B to Independent Auditors' Report

adequacy and operating effectiveness over financial reporting of the transferor company, referred to in other matter paragraph above, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2018, 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

We did not audit the adequacy and operating effectiveness of internal financial controls over financial reporting of the Transferor Company for the period October 1, 2017 to March 31, 2018. The

adequacy and operating effectiveness of internal financial controls over financial reporting of the Transferor Company for the aforesaid period, has been audited by other auditor, whose report has been furnished to us and our opinion in so far as it relates to the adequacy and operating effectiveness of internal financial controls over financial reporting included in respect of the Transferor Company, and our report in so far as it relates to the Transferor Company is based solely on the report of the other auditor.

Our opinion is not modified in respect of this matter.

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

Chartered Accountants

ICAI Firm Registration Number : 301003E/E300005

Per Kamal Agarwal

Partner

Membership No. : 058652

Kolkata

November 14, 2018

Balance Sheet as at 31st March, 2018

		₹ in crore	
Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current Assets			
Property, Plant and Equipment	4	14,594.03	14,596.29
Capital work-in-progress		126.66	187.84
Investment Property	5	56.03	56.03
Intangible Assets	6	137.28	217.29
Financial Assets			
Investments	7	4,193.29	4,086.23
Loans	8	32.42	53.83
Others	9	217.25	2,384.96
Other Non current assets	10	134.04	190.20
	(A)	19,491.00	21,772.67
Current Assets			
Inventories	11	386.97	378.62
Financial Assets			
Investments	12	506.37	506.24
Trade receivables	13	1,041.49	968.53
Cash and cash equivalent	14	435.68	682.81
Bank balances other than cash and cash equivalent	15	286.92	241.57
Others	16	97.15	146.33
Other current assets	17	262.39	114.47
	(B)	3,016.97	3,038.57
Regulatory deferral account balances	(C) 18	3,521.54	3,619.97
TOTAL ASSETS	(A+B+C)	26,029.51	28,431.21
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	19	133.22	133.22
Other Equity	20	9,314.47	13,190.53
	(D)	9,447.69	13,323.75
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	21	3,667.49	3,772.24
Trade Payables			
(a) Total outstanding dues to Micro Enterprise & Small Enterprises		—	—
(b) Total outstanding dues of Creditors other than Micro Enterprise & Small Enterprises		41.02	10.50
Others	22	6.41	6.58
Provisions	23	286.63	234.90
Deferred tax liabilities (Net)	24	3,487.21	3,554.76
Consumers' Security Deposits	45	1,505.59	1,618.54
Other non current liabilities	25	165.70	55.25
	(E)	9,160.05	9,252.77
Current Liabilities			
Financial Liabilities			
Borrowings	26	1,292.93	1,435.13
Trade Payables	27		
(a) Total outstanding dues to Micro Enterprise & Small Enterprises		6.92	6.07
(b) Total outstanding dues of Creditors other than Micro Enterprise & Small Enterprises		480.85	371.26
Others	28	3,120.81	1,330.27
Other current liabilities	29	537.62	438.22
Provisions	30	84.39	70.59
Current Tax Liabilities (net)		62.26	10.60
	(F)	5,585.78	3,662.14
Regulatory deferral account balances	(G) 18	1,835.99	2,192.55
TOTAL EQUITY & LIABILITIES	(D+E+F+G)	26,029.51	28,431.21
Notes forming part of Financial Statements	1-55		

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

For S. R. BATLIBOI & CO LLP

Chartered Accountants

Firm Registration Number - 301003E/E300005

Kamal Agarwal

Partner

Membership No. : 058652

Kolkata, 14th November, 2018

For and on behalf of Board of Directors

Chairman	Sanjiv Goenka
Managing Director - Generation	Rabi Chowdhury
Managing Director - Distribution	Debasish Banerjee
Company Secretary	Subhasis Mitra
Executive Director & CFO	Rajarshi Banerjee

Statement of Profit and Loss for the year ended 31st March, 2018

		₹ in crore	
Particulars	Note No.	2017-18	2016-17
Revenue from operations	32	7,785.84	7,220.07
Other income	33	167.94	136.55
Total Income		7,953.78	7,356.62
Expenses			
Cost of electrical energy purchased		2,958.18	2,614.37
Cost of fuel	34	1,401.65	1,358.74
Purchase of stock-in-trade		11.51	—
Employee benefits expense	35	859.67	779.80
Finance costs	36	483.90	447.80
Depreciation and amortisation expense	37	425.64	401.33
Other expenses	38	920.09	846.09
Total expenses		7,060.64	6,448.13
Profit from continuing operations before regulatory income and tax		893.14	908.49
Regulatory Income (net)	39	209.24	190.23
Profit before tax , from continuing operations		1,102.38	1,098.72
Tax expense			
Current tax		(237.72)	(237.84)
Deferred tax- Income / (expense)		69.32	(48.75)
Regulatory Income / (expense) -deferred tax		(69.32)	48.75
Profit for the year from continuing operations		864.66	860.88
Profit/(loss) before tax , from discontinued operations	52	(3.75)	2.51
Tax credit/(expense) of discontinued operations		0.80	(0.53)
Profit/(loss) for the year from discontinued operations		(2.95)	1.98
Profit for the year		861.71	862.86
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plan		(20.84)	(49.73)
Income tax on above		4.50	10.62
Gain on fair value of Investments		7.55	—
Deferred tax expense on above		(1.76)	—
Regulatory Income / (expense) -deferred tax		1.76	—
Other comprehensive income for the year (net of tax)		(8.79)	(39.11)
Total comprehensive income for the year		852.92	823.75
Earnings per equity share (Face value of ₹ 10 per share)	48		
Basic & Diluted from continuing operations		65.23	64.94
Basic & Diluted from discontinued operations		(0.22)	0.15
Basic & Diluted from continuing and discontinued operations		65.01	65.09
Notes forming part of Financial Statements	1-55		

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

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

Kamal Agarwal
 Partner
 Membership No. : 058652
 Kolkata, 14th November, 2018

For and on behalf of Board of Directors

Chairman	Sanjiv Goenka
Managing Director - Generation	Rabi Chowdhury
Managing Director - Distribution	Debasish Banerjee
Company Secretary	Subhasis Mitra
Executive Director & CFO	Rajarshi Banerjee

Cash Flow Statement for the year ended 31st March, 2018

₹ in crore

Particulars	2017-18	2016-17
A. Cash flow from Operating Activities		
Profit before tax from continuing operations	1,102.38	1,098.72
Profit/(loss) before tax for the year from discontinued operations	(3.75)	2.51
Adjustments for :		
Depreciation and amortisation expense	429.39	408.83
Loss/(Profit) on sale / disposal of Property, Plant and Equipment (net)	(1.53)	3.27
Gain on sale/ fair valuation of current investments (net)	(50.46)	(44.12)
Gain on sale of long term investments Fair Valuation	(0.04)	—
Provision for Bad debts	17.60	—
Bad debts, advances, other receivables written off	67.00	31.61
Dividend Income	(7.49)	—
Finance costs	483.90	447.80
Interest Income	(17.58)	(29.73)
Unwinding of discount on security deposit	(1.84)	(0.52)
Income from financial assets at amortised cost	(2.72)	(2.14)
Other operating / non-operating income	(58.25)	(62.62)
Operating Profit before Working Capital changes	1,956.61	1,853.61
Adjustments for change in:		
Trade & other receivables	(109.51)	118.07
Inventories	(8.35)	(62.10)
Trade and other payables	(120.20)	(21.43)
Cash Generated from Operations	1,718.55	1,888.15
Income Tax paid (net of refund)	(160.50)	(201.89)
Net cash flow from Operating Activities	1,558.05	1686.26
B. Cash flow from Investing Activities		
Purchase of Property, Plant and Equipment / Capital Work-in-Progress	(604.14)	(753.85)
Proceeds from Sale of Property, Plant and Equipment	10.39	12.07
Investment in Subsidiaries, Associates and Joint Ventures including Share Subscription	(534.46)	(1,047.43)
Sale/(purchase) of Current/Non-Current Investments (net)	96.30	37.44
Income from investment property	12.10	12.10
Net Movement in Bank Balance other than Cash and Cash Equivalents	(45.35)	2.34
Redemption of Non Current Investments	—	0.01
Dividend received	7.49	—
Interest received	15.27	29.47
Net cash used in Investing Activities	(1,042.40)	(1,707.85)

Cash Flow Statement for the year ended 31st March, 2018

₹ in crore		
Particulars	2017-18	2016-17
C. Cash flow from Financing Activities		
Proceeds from Long Term Borrowings	1,140.00	1,616.63
Repayment of Long Term Borrowings	(991.32)	(870.59)
Net decrease in Cash credit facilities and other short term borrowings	(190.20)	(23.82)
Receipt from consumers for capital jobs	15.82	25.61
Finance Costs paid	(502.19)	(476.24)
Dividend paid	(157.81)	(132.92)
Dividend tax paid	(32.38)	(26.99)
Net Cash flow from/(used in) Financing Activities	(718.08)	111.68
Net Increase / (decrease) in cash and cash equivalents	(202.43)	90.09
Cash and Cash equivalents - Opening Balance [Refer Note 14]	682.81	592.72
Cash and Cash equivalents - Acquired Pursuant to Scheme of Amalgamation [Refer Note 52]	0.30	—
Cash and Cash equivalents - Transferred Pursuant to Scheme of Arrangement [Refer Note 52]	(45.00)	—
Cash and Cash equivalents - Closing Balance [Refer Note 14]	435.68	682.81

Changes in liabilities arising from financing activities

Particulars	01-Apr-17	Cash flows	Other	31-Mar-18
Current borrowings	1,435.13	(190.20)	48.00	1,292.93
Non-Current borrowings (including Current Maturities)	4,550.29	148.68	(32.45)	4,666.52
Total liabilities from financing activities	5,985.42	(41.52)	15.55	5,959.45

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

For S. R. BATLIBOI & CO LLP
 Chartered Accountants
 Firm Registration Number - 301003E/E300005
 Kamal Agarwal
 Partner
 Membership No. : 058652
 Kolkata, 14th November, 2018

For and on behalf of Board of Directors

Chairman	Sanjiv Goenka
Managing Director - Generation	Rabi Chowdhury
Managing Director - Distribution	Debasish Banerjee
Company Secretary	Subhasis Mitra
Executive Director & CFO	Rajarshi Banerjee

Notes forming Part of Financial Statements

Statement of changes in Equity for the year ended 31 st March 2018

A Equity Share Capital

₹ in crore

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Shares of Rs. 10 each issued, subscribed and fully paid			
As at 31 March 2017	133.22	—	133.22
As at 31 March 2018	133.22	—	133.22

B Other Equity

Particulars	Reserves and Surplus					Total
	Securities Premium	Capital Redemption Reserve	Retained Earnings (refer note 20)	Fund for unforeseen exigencies	FVTOCI Reserve	
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 (net of tax)	—	—	(39.11)	—	—	(39.11)
Total	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 (refer note 20)	—	—	(16.16)	16.16	—	—
Withdrawal of additional depreciation during the year (Refer Note 50)	—	—	(318.41)	—	—	(318.41)
Withdrawal of residual amount added on fair valuation consequent to sale / disposal of assets (refer note 50)	—	—	(23.09)	—	—	(23.09)
Balance as at 31 March, 2017	1,738.03	20.13	11,204.13	228.24	—	13,190.53

Particulars	Reserves and Surplus					Total
	Securities Premium	Capital Redemption Reserve	Retained Earnings (refer note 20)	Fund for unforeseen exigencies	FVTOCI Reserve	
Balance as at 1 April, 2017	1,738.03	20.13	11,204.13	228.24	—	13,190.53
Profit for the year	—	—	861.71	—	—	861.71
Other Comprehensive Income/(expense) for the year (net of tax)	—	—	(16.34)	—	7.55	(8.79)
Total	1,738.03	20.13	12,049.50	228.24	7.55	14,043.45
Adjustment pursuant to Scheme of Arrangement (Refer Note 52)	(1,738.03)	(20.13)	(2,467.94)	—	—	(4,226.10)
Dividends paid (incl tax there on) (Note 19 & 20)	—	—	(191.45)	—	—	(191.45)
Transfer to/from retained earnings (Note 20)	—	—	(15.93)	15.93	—	—
Withdrawal of additional depreciation during the year (Refer Note 50)	—	—	(306.25)	—	—	(306.25)
Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets (Note 50)	—	—	(5.18)	—	—	(5.18)
Balance as at 31 March, 2018	—	—	9,062.75	244.17	7.55	9,314.47

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

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

Kamal Agarwal
 Partner
 Membership No. : 058652
 Kolkata, 14th November, 2018

For and on behalf of Board of Directors

Chairman Sanjiv Goenka
 Managing Director - Generation Rabi Chowdhury
 Managing Director - Distribution Debasish Banerjee
 Company Secretary Subhasis Mitra
 Executive Director & CFO Rajarshi Banerjee

Notes forming Part of Financial Statements

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

NOTE - 2A SIGNIFICANT ACCOUNTING POLICIES

The standalone financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) 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.

(a) Basis of Accounting

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

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

(b) Use of estimate

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

(c) Property, plant and equipment (PPE)

Tangible Assets and Depreciation

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

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

Useful Life of Tangible Assets is as follows :

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

(d) Investment properties

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

(e) Intangible Assets and amortisation

Intangible assets comprising computer software, brands and mining rights, expected to provide future enduring economic benefits

Notes forming Part of Financial Statements (Contd.)

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 fair value or value in use, whichever is higher.

Cost of intangible assets, comprising Computer Software related expenditure, are amortised in three years over its estimated useful life 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.

Company as lessee

Finance lease

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

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

Operating lease

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

Company as lessor

Operating lease

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

(g) Financial asset

The financial assets are classified in the following categories :

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

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

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

Financial assets measured at amortised cost

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

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

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

Equity instruments

Equity investments in scope of Ind AS 109 are measured at fair value. At initial recognition, the Company make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. Investment in subsidiaries, associates and joint ventures are carried at cost or at deemed cost as considered on the date of transition to

Ind-AS less provision for impairment loss, if any. Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Investments in mutual funds are measured at fair value through 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 41).

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

(h) Financial liabilities

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

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

(i) Derivatives

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

(j) Inventories

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

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

(k) Foreign Currency Transactions

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

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

(l) Cash and cash equivalents

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

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent includes cash, cheques and draft on hand, balances with banks which are unrestricted for withdrawal/usages and highly liquid financial investments that are readily convertible to known 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.

(m) Revenue from Operations

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

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

Notes forming Part of Financial Statements (Contd.)

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

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

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

(n) Other Income

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

(o) Employee Benefits

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

(p) Finance Costs

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

(q) Taxes

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

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

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

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

(r) Provisions and contingent liabilities

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

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

(s) Business combination

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

(t) Regulatory deferral account balances

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

NOTE - 2B Summary of significant judgements and assumptions

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

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

The areas involving critical estimates or judgements are :-

- Estimated useful life of Intangible Assets -Note -2(e)
- Estimated Fair Valuation of certain Investments -Note-7
- Estimation of Regulatory Items - Note -18 & 39
- Estimation of Restoration Liability- Note- 2 (e)
- Impairment of Trade Receivables -Note - 2(g)
- Estimates used in Actuarial Valuation of Employee benefits -Note-35

NOTE - 3 New standards that are not yet effective

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

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard :

a. Issue of Ind AS 115 Revenue from Contracts with Customers

The Company has evaluated the impact of implementation of Ind AS 115 "Revenue from Contracts with Customers" which is applicable to it w.e.f 1st April 2018 and basis the evaluation done and based on the arrangement that the Company has with its consumers, the implementation of Ind AS 115 does not have any significant impact on the profit or loss of the Company.

b. Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards :

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes
- iv. Ind AS 28 - Investments in Associates and Joint Ventures and
- v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above amendments does not have significant impact on the Company's financial statement.

Notes forming Part of Financial Statements (Contd.)

NOTE - 4 PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

PARTICULARS	COST/ DEEMED COST				DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1st April 2017	Additions/ Adjustments	Add : Adjustment pursuant to Scheme of Arrangement #	Less : Withdrawals/ Adjustments	As at 31st March, 2018	As at 1st April 2017	Additions/ Adjustments	Add : Adjustment pursuant to Scheme of Arrangement #	Less : Withdrawals/ Adjustments	As at 31st March, 2018	As at 31st March, 2017
Land											
Freehold	2,472.21	1.93	—	—	2,474.14	—	—	—	—	2,474.14	2,472.21
Leasehold (refer note below)	577.39	0.23	—	—	577.62	38.08	21.88	—	—	59.96	539.31
Buildings and Structures *	676.41	23.71	9.88	—	710.00	66.84	33.54	8.88	—	109.26	609.57
Plant and Equipment	5,292.93	219.56	1.38	7.77	5,506.10	607.07	346.76	0.74	3.94	950.63	4,685.86
Distribution System	6,316.67	436.03	—	49.44	6,703.26	487.19	265.37	—	43.09	709.47	5,829.48
Meters and Other Apparatus on Consumers' Premises	299.65	35.40	—	11.23	323.82	25.13	35.33	—	7.88	52.58	274.52
River Tunnel	2.78	—	—	—	2.78	1.10	0.55	—	—	1.65	1.68
Furniture and Fixtures	21.14	3.18	3.46	0.18	27.60	2.54	1.86	2.95	0.07	7.28	18.60
Office Equipment	86.98	5.38	1.51	0.29	93.58	15.03	8.77	1.46	0.18	25.08	71.95
Vehicles	5.61	2.74	0.03	1.86	6.52	1.37	1.48	—	1.50	1.35	4.24
Railway Sidings	94.55	—	—	—	94.55	5.68	3.00	—	—	8.68	88.87
	15,846.32	728.16	16.26	70.77	16,519.97	1,250.03	718.54	14.03	56.66	1,925.94	14,596.29
Previous Year	15,242.38	707.87	—	103.93	15,846.32	609.40	706.12	—	65.49	1,250.03	14,596.29

#Refer Note 52

*includes leasehold improvements

The lease term in respect of land acquired under finance lease ranges from 30 - 99 years which is renewable at the option of lessee or as mutually agreed. Future minimum lease obligation payable on leasehold land during next one year ₹ 0.83 crores (as on 31.03.17: ₹ 0.83 crores) later than one year but not later than five years ₹ 2.64 crore (as on 31.03.17: ₹ 2.64 crores) and later than five years ₹ 3.45 crore (as on 31.03.17: ₹ 3.66 crores).

Notes forming Part of Financial Statements (Contd.)

NOTE - 5 INVESTMENT PROPERTY

₹ in Crore

PARTICULARS	COST/ DEEMED COST			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2017	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2018	As at 1st April 2017	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2018	As at 31st March, 2017
Land -Freehold	56.03	-	-	56.03	-	-	-	56.03	56.03
	56.03	-	-	56.03	-	-	-	56.03	56.03
Previous Year	56.03	-	-	56.03	-	-	-	56.03	

a. Income earned recognised in Statement of profit and loss ₹ 12.26 crore (previous year : ₹ 12.26 crore)
b. Fair valuation of the above land as per rent capitalisation method (income approach) amounts to ₹ 282 crore(as on 31.03.17 : ₹ 272 crore) as per approved independent valuer and categorised as level 2. The main inputs used in determining the fair valuation of the Investment Property are utility, marketability, self liquidity, future rentals, etc.

c. The lease term in respect of investment property given under Operating Lease is 25 years which can be extended upon the sole discretion of the Company. This lease has been granted to Quest Properties India Limited to construct, develop, operate and maintain a mall during the said lease term and the aforesaid property has been offered as security in respect of financial assistance availed of by the said Company. Incentive given by the Company by way of rent free period for development of the Investment Property has been spread across the period of the contract. Future minimum lease rental receivables during next one year ₹ 12.26 crore (as on 31.03.17: ₹ 12.26 crore) later than one year but not later than five years ₹ 49.05 crore (as on 31.03.17: ₹ 49.05 crores) and later than five years ₹ 118.54 crore (as on 31.03.17: ₹ 130.81 crores).

NOTE - 6 INTANGIBLE ASSETS

₹ in Crore

PARTICULARS	COST			As at 31st March, 2018	AMORTISATION				NET BLOCK	
	As at 1st April, 2017	Additions/ Adjustments	Less : Adjustment pursuant to Scheme of Arrangement #		As at 1st April, 2017	Additions/ Adjustments *	Less : Adjustment pursuant to Scheme of Arrangement #	Less : Withdrawals/ Adjustments	As at 31st March, 2018	As at 31st March, 2017
Brand	105.00	-	105.00	-	15.00	3.75	18.75	-	-	90.00
Computer Software	19.44	3.15	-	22.59	11.19	5.61	-	-	16.80	8.25
Mining Rights	131.69	20.19	-	151.88	12.65	7.74	-	-	20.39	119.04
	256.13	23.34	105.00	174.47	38.84	17.10	18.75	-	37.19	217.29
Previous Year	243.88	12.25	-	256.13	17.78	21.12	-	0.06	38.84	217.29

#Refer Note 52

*includes ₹ 3.75 crore (as on 31.03.17 : ₹ 7.50 crore) relating to discontinued operations.

Notes forming Part of Financial Statements (Contd.)

NOTE - 7 NON CURRENT - INVESTMENTS

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
a	Investments in Equity Instruments, unquoted, carried at fair value through other comprehensive income :		
	3,250 (31.03.2017 : 3,250) Equity Shares of Integrated Coal Mining Limited of ₹ 10 each	7.56	—
b	Investments in Mutual Funds, quoted, carried at fair value through profit & loss		
	20,00,000 (31.03.2017 : 20,00,000) units of HDFC CFCC - Debt Plan - Direct Option - 100% Dividend Donation of ₹ 10 each	2.00	2.00
c	Investment in Subsidiary Companies, unquoted, carried at cost		
	Nil (31.03.2017 : 29,67,53,585) Equity Shares of Spencer's Retail Limited of ₹ 10 each #	—	448.32
	Nil (31.03.2017 : 25,93,10,000) Equity Shares of Quest Properties India Limited of ₹ 10 each #	—	259.31
	13,50,000 (31.03.2017 : 13,50,000) Equity Shares of Nalanda Power Company Limited of ₹ 10 each	1.35	1.35
	Nil (31.03.2017 : 2,68,80,50,000) Equity Shares of CESC Infrastructure Limited of ₹ 10 each #	—	2,697.59
	2,67,00,000 (31.03.2017 : 2,35,00,000) Equity Shares of Ranchi Power Distribution Company Limited of ₹ 10 each *	—	—
	Nil (31.03.2017 : 47,10,28,050) Equity Shares of Spen Liq Private Limited of ₹ 10 each #	—	471.45
	50,000 (31.03.2017 : NIL) Equity Shares of CESC Green Power Limited of ₹ 10 each	0.05	—
	28,20,615 (31.03.2017 : 28,20,615) Equity Shares of Papu Hydropower Projects Limited of ₹ 10 each *	—	—
	44,17,983 (31.03.2017 : 44,17,983) Equity Shares of Pachi Hydropower Projects Limited of ₹ 10 each*	—	—
	13,55,05,800 (31.03.2017 : 9,42,35,800) Equity Shares of Surya Vidyut Limited of ₹ 10 each	135.51	94.24
	3,38,50,000 (31.03.2017 : 1,88,50,000) Equity Shares of CESC Projects Limited of ₹ 10 each *	—	—
	1,10,00,000 (31.03.2017 : 1,10,00,000) Equity Shares of Bantal Singapore Pte Limited of USD 1 each	6.94	6.94
	26,40,80,000 (31.03.2017 : 50,000) Equity Shares of Kota Electricity Distribution Limited (previously Sheesham Commercial Private Limited) of ₹ 10 each	265.70	1.39
	4,20,50,000 (31.03.2017 : 50,000) Equity Shares of Bikaner Electricity Supply Limited (previously Water Hyacinth Commosale Private Limited) of ₹ 10 each	43.25	0.63
	2,00,50,000 (31.03.2017 : 50,000) Equity Shares of Bharatpur Electricity Services Limited (previously Wigeon Commotrade Private Limited) of ₹ 10 each	20.53	0.53
	4,06,99,994 (31.03.2017 : 4,06,99,994) Equity Shares of Crescent Power Limited of ₹ 10 each	72.31	71.85
	1,20,34,41,049 (31.03.2017 : Nil) Equity Shares of Haldia Energy Limited of ₹ 10 each#	1,206.44	—
	2,08,27,68,954 (31.03.2017 : Nil) Equity Shares of Dhariwal Infrastructure Limited of ₹ 10 each#@	2,400.24	—
	10,80,00,000 (31.03.2017 : Nil) Equity Shares of Aou Bon Pain Café Indian Limited of ₹ 10 each#*	—	—
d	Investment in Associate, unquoted, carried at cost :		
	2,97,28,500 (31.03.2017 : 2,97,28,500) Equity Shares of Noida Power Company Limited of ₹ 10 each	30.63	30.63
e	Investment in Joint Venture, unquoted, carried at cost :		
	24,29,800 (31.03.2017 : 24,29,800) Equity Shares of Mahuagarhi Coal Company Private Limited of ₹ 10 each*	—	—
f	Investment in Preference Shares, unquoted, carried at fair value through Profit & Loss		
	5,00,000 (31.03.2017 : Nil) 0.01% non cumulative compulsorily reedemable Preference shares of face value ₹ 100 each to be issued by RPSG Retail Limited. #	0.78	—
		4,193.29	4,086.23
Investment in quoted investments :			
	Aggregate Book value	2.00	2.00
	Aggregate Market value	2.00	2.00
Investment in unquoted investments :			
	Aggregate Book value	4,191.29	4,084.23
	Aggregate provision for diminution in value of investments	29.30	11.10
* Fully impaired			
# Investment cancelled / acquired pursuant to scheme of arrangement (Refer Note 52)			
@ Based on valuation carried out by an Independent third party, there is no impairment			

Notes forming Part of Financial Statements (Contd.)

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
NOTE - 8	NON CURRENT - LOANS		
	Considered good - Unsecured		
	a. Security Deposit	29.62	51.34
	b. Loan to employees	2.80	2.49
		32.42	53.83
NOTE - 9	NON CURRENT - OTHER FINANCIAL ASSETS		
	a. Share application money to subsidiaries	160.00	2,211.44
	b. Others		
	Lease Receivables	57.25	57.09
	Others (refer Note 39)	–	116.43
		217.25	2,384.96
NOTE - 10	OTHER NON CURRENT ASSETS		
	a. Capital Advances	26.74	73.19
	b. Other Advances	107.30	117.01
	(includes amount incurred by the company for setting up power projects to be transferred to the specific projects on completion of the same, prepaid expenses etc)		
		134.04	190.20
NOTE - 11	INVENTORIES		
	a. Fuel (includes goods in transit 31.03.2018 : ₹ 71.98 crore; 31.03.17 : ₹ 54.33 crore)	193.41	193.05
	b. Stores and Spares	190.55	185.57
	c. Traded Goods	3.01	–
		386.97	378.62

Notes forming Part of Financial Statements (Contd.)

NOTE - 12 CURRENT INVESTMENTS

	₹ in Crore	
	As at 31st March, 2018	As at 31st March, 2017
Quoted		
Investments in Mutual Funds carried at fair value through profit and loss		
45,73,387.7293 units of ₹ 335.0808 each (31.03.2017 : 48,43,348.1579 units of ₹ 312.5737 each) of ICICI Prudential Flexible Income Plan - Dir - Growth	153.25	151.39
Nil units (31.03.2017 : 12,34,243.646 units of ₹ 406.0303 each) of Birla Sun Life Cash Manager - Dir - Growth	—	50.11
Nil units (31.03.2017 : 3,35,66,769.6047 units of ₹ 28.3595 each) of HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Wholesale Option - Growth Option	—	95.19
Nil units (31.03.2017 : 24,98,272.445 units of ₹ 200.6473 each) of Birla Sun Life Floating Rate Fund - LTP - Dir - Growth	—	50.13
1,36,45,878.5353 units of ₹ 37.2022 each (31.03.2017 : 1,44,56,716.5908 units of ₹ 34.6897 each) of Reliance Medium Term Fund - Dir - Growth	50.77	50.15
37,914.5065 units of ₹ 2,656.9874 each (31.03.2017 : 1,00,960.0778 units of ₹ 2,481.5445 each) of Tata Ultra Short Term Fund - Dir - Growth	10.07	25.05
Nil units (31.03.2017 : 74,53,786.5233 units of ₹ 26.9023 each) of L&T Ultra Short Term Fund - Dir - Growth	—	20.05
Nil units (31.03.2017 : 73,773.1914 units of ₹ 2,718.0909 each) of UTI Floating Rate Fund - STP - Dir - Growth	—	20.05
36,54,823.8192 units of ₹ 27.618 each (31.03.2017 : 77,93,624.8149 units of ₹ 25.7509 each) of LIC MF Savings Plus Fund - Dir - Growth	10.09	20.07
40,65,586.0338 units of ₹ 24.7968 each (31.03.2017 : 43,31,516.9838 units of ₹ 23.1528 each) of IDFC Ultra Short Term Fund - Dir - Growth	10.08	10.03
79,06,075.8192 units of ₹ 12.7502 each (31.03.2017 : 75,74,227.4288 units of ₹ 11.9077 each) of DSP BlackRock Low Duration Fund-Direct Plan- Growth (erstwhile DSP BlackRock Ultra Short term Fund-Growth)	10.08	9.02
Nil units (31.03.2017 : 19,41,679.7082 units of ₹ 25.7509 each) of LIC MF Savings Plus Fund - Dir - Growth	—	5.00
194,33,668.5873 units of ₹ 52.417 each (31.03.2017 : Nil units) of Aditya Birla Sun Life Banking & PSU Debt Fund-Dir- Growth	101.87	—
94,60,066.6934 units of ₹ 21.3326 each (31.03.2017 : Nil units) of DHFL Pramerica Ultra Short Term Fund - Direct Plan -Growth	20.18	—
9,50,00,000 units of ₹ 10.0732 each (31.03.2017 : Nil units) of HDFC FMP 92D February 2018 (1)	95.70	—
3,00,00,000 units of ₹ 10.065 each (31.03.2017 : Nil units) of ICICI Prudential Fixed Maturity Plan - Series 82 - 103 Days Plan O	30.20	—
48,387.4318 units of ₹ 2909.0976 each (31.03.2017 : Nil units) of SBI Magnum Insta Cash Fund - Liquid Floater - Dir - Growth	14.08	—
	506.37	506.24
Investment in quoted investments :		
Aggregate Book value	506.37	506.24
Aggregate Market value	506.37	506.24

Notes forming Part of Financial Statements (Contd.)

		₹ in Crore
	As at 31st March, 2018	As at 31st March, 2017
NOTE - 13 TRADE RECEIVABLES		
a. Considered good - Secured	597.14	581.78
b. Considered good - Unsecured	444.67	386.85
c. Credit Impaired	23.75	6.15
	1,065.56	974.78
Less : Allowances for bad and doubtful debts*	24.07	6.25
	1,041.49	968.53
*Includes adjustment on account of Expected Credit Loss ₹ 0.32 crore (31.03.17 ₹ 0.10 crore)		
NOTE - 14 CASH AND CASH EQUIVALENT		
a. Balances with banks		
– In current accounts	433.20	671.49
b. Cheques, drafts on hand	0.93	8.98
c. Cash on hand	1.55	2.34
	435.68	682.81
NOTE - 15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT		
Unpaid Dividend Account	5.11	3.85
– Bank Deposits with original maturity more than 3 months	281.81	237.72
	286.92	241.57
a. Amount lying in deposit accounts with banks as at 31st March, 2018 includes ₹ 229.50 crore (31.03.2017: ₹ 213.50 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 ₹ 33.00 crore (31.03.2017 : ₹ 86.50 crore) having maturity more than 12 months as on the reporting date.		
NOTE - 16 OTHER FINANCIAL ASSETS		
Unsecured, considered good		
Advances to bodies corporate	1.88	1.84
Advances to and receivable from Related Parties	58.46	54.71
Interest accrued on Bank Deposits	13.30	10.99
MTM gain on derivative financial instruments	21.15	44.52
Receivable towards claims and services rendered	2.36	34.27
	97.15	146.33
NOTE - 17 OTHER CURRENT ASSETS		
Advance for goods and services	248.24	104.23
Others (Includes prepaid expenses etc)	14.15	10.24
	262.39	114.47
NOTE - 18 REGULATORY DEFERRAL ACCOUNT BALANCES		
Regulatory deferral account - debit balances	3,521.54	3,619.97
Regulatory deferral account - credit balances	1,835.99	2,192.55
(Refer note no. 39 for details)		

Notes forming Part of Financial Statements (Contd.)

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
NOTE - 19 EQUITY			
a.	Authorised Share Capital		
	3,15,60,00,000 (31.03.2017 : 15,00,00,000) Equity Shares of ₹ 10/- each #	3,156.00	150.00
b.	Issued Capital		
	13,88,57,015 (31.03.2017 : 13,88,57,015) Equity Shares of ₹ 10/- each	138.86	138.86
c.	Subscribed and paid up capital		
	13,25,57,043 (31.03.2017 : 13,25,57,043) Equity Shares of ₹ 10/- each	132.56	132.56
d.	Forfeited Shares (amount originally paid up)	0.66	0.66
		133.22	133.22

Adjustment pursuant to Scheme of Arrangement (Refer Note 52)

- e. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Amount (₹ Crore)	No. of shares	Amount (₹ Crore)
At the beginning of the reporting period	13,25,57,043	132.56	13,25,57,043	132.56
Add : Change during the year	—	—	—	—
At the end of the reporting period	13,25,57,043	132.56	13,25,57,043	132.56

For the period of five years immediately preceding 31st March, 2018, no share was : - (i) allotted as fully paid up pursuant to any contract without consideration being received in cash, (ii) allotted as fully paid up by way of bonus shares and (iii) bought back.

- f. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 12/- per equity share has been paid during the year ended 31st March 2018. 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, 2018		As at 31st March, 2017	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited [refer note 42 (A)]	5,87,96,632	44	5,87,96,632	44
HDFC Trustee Company Limited	1,19,30,021	9	1,19,30,021	9
ICICI Asset Management Company Limited	—	—	97,11,354	7

Notes forming Part of Financial Statements (Contd.)

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
NOTE - 20	OTHER EQUITY		
A.	a. Capital Redemption Reserve	–	20.13
	b. Others		
	Securities Premium Account	–	1,738.03
	Fund for unforeseen exigencies	244.17	228.24
	Retained Earnings	9,062.75	11,204.13
	FVTOCI Reserve	7.55	–
		9,314.47	13,190.53
B.	a. Capital Redemption Reserve		
	As at beginning of the year	20.13	20.13
	Adjustment pursuant to Scheme of Arrangement (Refer Note 52)	(20.13)	–
	As at end of the year	–	20.13
	b. Others		
	i) Securities Premium Account		
	As at beginning of the year	1,738.03	1,738.03
	Adjustment pursuant to Scheme of Arrangement (Refer Note 52)	(1,738.03)	–
	As at end of the year	–	1,738.03
	ii) Fund for unforeseen exigencies		
	At the beginning of the year	228.24	212.08
	Add : Transfer during the year from Surplus	15.93	16.16
	As at end of the year	244.17	228.24
	iii) Retained Earnings		
	Surplus at the beginning of the year	11,204.13	10,897.59
	Adjustment pursuant to Scheme of Arrangement (Refer Note 52)	(2,467.94)	–
	Add : Profit for the year	861.71	862.86
	Less: Transfer to fund for unforeseen exigencies	15.93	16.16
	Less : Withdrawal on account of depreciation / amortisation of surplus on fair valuation (refer note 50)	306.25	318.41
	Less : Withdrawal of the residual surplus on fair valuation consequent to sale/disposal of assets (refer note 50)	5.18	23.09
	Less: Dividend	159.07	132.56
	Less: Dividend distribution tax on above	32.38	26.99
	Less: Items that will not be reclassified to profit or loss	16.34	39.11
	Remeasurement of defined benefit plan (Net of tax)	9,062.75	11,204.13
	iv) Fair Value through Other Comprehensive Income (FVTOCI) Reserve		
	At the beginning of the year	–	–
	Add : Items that will not be reclassified to profit or loss		
	Gain on fair value of Investment	7.55	–
		9,314.47	13,190.53

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 will be invested as per the applicable regulations. Retained Earnings represents profit earned by the Company, net of appropriations till date and adjustments done on transition to Ind AS. FVTOCI reserve represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income.

Notes forming Part of Financial Statements (Contd.)

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
NOTE - 21	NON CURRENT - BORROWINGS		
a.	Secured		
	Term Loans		
	(1) Rupee Loans from Banks	3,716.54	3,410.07
	(2) Foreign Currency Loans from Banks	539.98	740.22
		4,256.52	4,150.29
b.	Unsecured		
	Term Loans		
	Rupee Loans from Banks	410.00	400.00
		4,666.52	4,550.29
	Less : Current maturities of long term borrowings transferred to Other Current Financial Liabilities (refer note 28)	986.54	762.09
	Less : Unamortised front end fees	12.49	15.96
		3,667.49	3,772.24
c.	Nature of Security :		
	Out of the Term Loans in (a) above, loans amounting to :		
	(a) ₹ 4053.08 crore (31.03.2017- ₹ 3825.60 crore) are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Company including its land, buildings and any other constructions thereon, plant and machinery, etc. (refer note 4) as a first charge and, as a second charge, by hypothecation of the Company's current assets comprising stock of stores, coal (refer note 11) and other consumables, book debts, monies receivable (refer note 13) and bank balances (refer note 14). However, creation of the said mortgage security in respect of one Rupee Loan (31.03.2017 - five Rupee Loans) aggregating ₹ 30.00 crore (31.03.2017- ₹ 633.13 crore) is in process and		
	(b) ₹ 203.44 crore (31.03.2017- ₹ 324.69 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.)

d. Major terms of repayment of Non Current Borrowings :

₹ in Crore

Maturity Profile of Long Term Borrowings outstanding as at 31st March 2018	Rupee Term Loan from Banks	Foreign Currency Loans	Total	Current Maturities
Loans with residual maturity of upto 1 year	223.44	16.40	239.84	239.84
Loans with residual maturity between 1 and 3 years	767.46	408.78	1,176.24	266.19
Loans with residual maturity between 3 and 5 years	793.50	114.80	908.30	213.75
Loans with residual maturity between 5 and 10 years	2,042.14	–	2,042.14	251.76
Loans with residual maturity beyond 10 years	300.00	–	300.00	15.00
Total	4,126.54	539.98	4,666.52	986.54

Interest rates on Rupee Term Loans from Banks and Financial Institutions are based on spread over respective Lenders' benchmark rate and that of Foreign Currency Loans are based on spread over LIBOR.
All of the above are repayable in periodic instalments over the maturity period of the respective loans.

Maturity Profile of Long Term 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	591.26	146.92	738.18	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	415.91	–	415.91	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 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.

NOTE - 22 NON CURRENT - OTHER FINANCIAL LIABILITIES

₹ in Crore

	As at 31st March, 2018	As at 31st March, 2017
Lease obligation	6.41	6.58
	6.41	6.58

NOTE - 23 NON CURRENT - PROVISIONS

a	Provision for employee benefits	256.21	227.35
b	Restoration liabilities	30.42	7.55
		286.63	234.90
Reconciliation of movement in Restoration Liability			
	Opening balance	7.55	6.86
	Add: Adjustment during the year	22.83	0.69
	Add: Adjustment pursuant to Scheme of Arrangement (refer note 52)	0.04	–
	Closing balance	30.42	7.55

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 DEFERRED TAX LIABILITY (NET)

Deferred Tax Liabilities	3,546.61	3,599.50
Deferred Tax Assets	(59.40)	(44.74)
Total Deferred Tax Liabilities (net) (refer note 44 for further details)	3,487.21	3,554.76

Notes forming Part of Financial Statements (Contd.)

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
NOTE - 25 OTHER NON CURRENT LIABILITIES			
Advance from consumers		140.24	28.87
Financial guarantee obligations		6.08	7.00
Others		19.38	19.38
		165.70	55.25
NOTE - 26 CURRENT - BORROWINGS			
a. Secured			
Loans repayable on demand			
Overdraft from banks		692.93	735.13
b. Unsecured			
Short term loan from banks		—	100.00
Commercial Paper [including from banks 31.03.2018 : ₹ Nil, 31.03.2017 : ₹ 100 crore]		600.00	600.00
		1,292.93	1,435.13
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 (refer note 11), book debts, monies receivable (refer note 13) and bank balances (refer note 14) as a first charge and, as a second charge, by equitable mortgage / hypothecation of fixed assets of the Company including its land, buildings and any other construction thereon, where exists plant and machinery etc (refer note 4).		
NOTE - 27 CURRENT - TRADE PAYABLES	₹ 0.08 crore (31.3.2017- ₹ Nil), ₹ Nil (31.03.2017 - ₹ Nil), ₹ 0.52 crore (31.03.2017- ₹ 0.11 crore) and ₹ 1.39 crore (31.03.2017- ₹ 0.87 crore), ₹ Nil (31.03.2017 - ₹ Nil) representing interest due on amount outstanding as at the year end, interest paid along with amount of payment made beyond the appointed day, interest due and payable for the period of delay in making payment during the year, amount of interest accrued and remaining unpaid at the year end, amount of further interest remaining due and payable in the succeeding years, respectively due to Micro and Small Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 on information available with the Company.		
NOTE - 28 OTHER FINANCIAL LIABILITIES			
a. Current maturities of long-term debt		986.54	762.09
b. Interest accrued		10.65	12.02
c. Unclaimed dividends		5.11	3.85
d. Others (refer note e)		2,118.51	552.31
		3,120.81	1,330.27
e. Others include current portion of consumer security deposit (including accrued interest thereon), employee related liability, liabilities on capital account, liabilities towards contractual obligations and ₹ 1492.00 crore payable to Haldia Energy Limited including ₹ 575.00 crore towards transfer of shares etc.			
NOTE - 29 OTHER CURRENT LIABILITIES			
a. Receipt from consumers for capital jobs		124.20	108.37
b. Liability towards statutory taxes, duties etc.		383.13	329.85
c. Advances received from Consumers		30.29	—
		537.62	438.22
NOTE - 30 CURRENT PROVISIONS			
a. Provision for employee benefits		84.17	70.59
b. Provision for claims on lease property (refer note 52)		0.22	—
		84.39	70.59

Notes forming Part of Financial Statements (Contd.)

NOTE - 31 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 from banks, not provided for amount to ₹ 75.27 crore (31.03.2017 : ₹151.18 crore), ₹ 1497.55 crore (31.03.2017 : ₹1550.05 crore) respectively (refer note 42 for details).
- c. The Ministry of Coal had encashed the bank guarantee of the Company amounting to ₹ 66.15 crore in April 2018, in terms of its letter dated 25.04.2018, alleging non-compliance with the mining plan for the years 2015-16 and 2016-17 as per the CMDPA. Further, in terms of the above letter, the Ministry had directed the Company to top-up the bank guarantee with the aforesaid encashed amount. The Hon'ble High Court of Delhi while disposing of the petition filed by the Company against the Ministry's letter dated 25.04.2018, stayed the operation of this letter and further directed the Company to approach the Tribunal. Company has accordingly filed a petition before the Special Tribunal at Godda, Jharkhand challenging the letter dated 25.04.2018 and further seeking refund of the encashed amount. Based on a legal opinion, the Company expects a favourable outcome in the matter, and no provision has been considered necessary in the books of account.
- d. The Company has given bank guarantee of ₹ 222.76 crore (31.03.2017 : ₹ 325.41 crore) for procurement of coal, etc. which is outstanding as on the reporting date.
- e. The Company has ongoing commitment to extend support and provide equity to the subsidiaries, in respect of various projects and otherwise (where, in certain cases there are restriction on transfer of investments). The future cash outflow in respect of above cannot be ascertained at this stage.
- f. Commitment relating to leasing arrangement, refer note 4 and 47.

NOTE - 32 REVENUE FROM OPERATIONS

	2017-18	2016-17
a. Earnings from sale of electricity	7,595.12	6,979.69
b. Other Operating Revenue		
Meter Rent	50.02	48.74
Contributions from Consumers	116.15	130.21
Earnings from sale of traded goods	13.09	—
Others	11.46	61.43
	7,785.84	7,220.07

- 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 ₹ 87.85 crore (previous year : ₹ 82.86 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.

NOTE - 33 OTHER INCOME

	2017-18	2016-17
a. Interest Income	17.58	29.73
b. Dividend Income	7.49	—
c. Gain on sale/ fair valuation of current investments (net)	50.46	44.12
d. Profit on sale of property, plant and equipment (net)	1.53	—
e. Unwinding of interest on security deposit	1.84	0.52
f. Income from financial assets at amortised cost	2.72	2.14
g. Other Non -operating Income *	86.32	60.04
	167.94	136.55

*includes Delayed payment surcharge, Usance fee, liabilities written back, etc.

Notes forming Part of Financial Statements (Contd.)

NOTE - 34 COST OF FUEL

- a Cost of Fuel includes freight ₹ 296.12 crore (previous year : ₹ 262.07 crore)
- b Cost of Fuel includes gain of NIL (previous year: gain of ₹ 0.59 crore) due to exchange fluctuations.
- c Consumption of fuel :

Particulars	UOM	2017-18	2016-17
(a) Consumption of coal			
Quantity	Tonnes	38,22,213	36,46,133
Value	₹ in crore	1389.89	1346.32
(b) Consumption of oil			
Quantity	Kilolitres	2,555.76	2687.09
Value	₹ in crore	11.76	12.42

NOTE - 35 EMPLOYEE BENEFITS EXPENSE

	₹ in Crore	
	2017-18	2016-17
a Salaries, wages and bonus	866.54	821.25
b Contribution to provident and other funds	127.30	105.96
c Employees' welfare expenses	45.62	45.28
	1,039.46	972.49
Less : Transfer to PPE / CWIP etc.	158.95	142.96
	880.51	829.53
Less : Transfer to Other Comprehensive Income*	20.84	49.73
	859.67	779.80

*As per Ind AS 19, Actuarial gain or loss on post retirement defined benefit Plan has been recognised in Other Comprehensive Income.

(i) Defined contribution plans

The Company makes contributions for provident fund and family pension schemes (including for superannuation) towards retirement benefit plans for eligible employees. Under the said plan, the Company is required to contribute a specified percentage of the employees' salaries to fund the benefits. The fund has the form of trust and is governed by the Board of Trustees. During the year, based on applicable rates, the Company has contributed ₹ 56.76 crore (previous year : ₹ 57.00 crore) on this count in the Statement of Profit and Loss.

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

Liabilities at the year end for gratuity, leave encashment and other retiral benefits including post-retirement medical benefits have been determined on the basis of actuarial valuation carried out by an independent actuary, based on the method prescribed in IND AS 19 - "Employee Benefits" of the The Companies (Indian Accounting Standards) Rules, 2015.

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

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

Gratuity (Funded)	2017-18			2016-17		
	Present value of obligation	Fair value of plan assets	Total amount	Present value of obligation	Fair value of plan assets	Total amount
Opening Balance	370.88	(323.04)	47.84	321.76	(280.48)	41.28
Current service cost	19.03	–	19.03	18.24	–	18.24
Interest expense/(income)	25.14	(23.19)	1.95	23.78	(20.72)	3.06
Past Service Cost	38.44	–	38.44	–	–	–
Less: Amount recognised in statement of profit and loss-Discontinued operations	3.79	–	3.79	–	–	–
Total amount recognised in profit and loss-Continuing operations	78.82	(23.19)	55.63	42.02	(20.72)	21.30
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	–	(1.60)	(1.60)	–	(6.40)	(6.40)
(Gain)/loss from change in financial assumptions	17.74	–	17.74	19.17	–	19.17
Experience (gains)/losses	(11.21)	–	(11.21)	14.88	–	14.88
Total amount recognised in other comprehensive income - Continuing Operations	6.53	(1.60)	4.93	34.05	(6.40)	27.65
Employer contributions	–	(49.38)	(49.38)	–	(42.39)	(42.39)
Benefit payments	(39.20)	39.20	–	(26.95)	26.95	–
Closing Balance	417.03	(358.01)	59.02	370.88	(323.04)	47.84

Leave Obligation (Unfunded)	2017-18	2016-17
	Present value of obligation	Present value of obligation
Opening Balance	141.41	117.83
Current service cost	8.34	8.80
Interest expense/(income)	9.55	9.13
<i>Remeasurements</i>		
(Gain)/loss from change in financial assumptions	11.06	–
Experience (gains)/losses	(11.50)	–
Less: Amount recognised in statement of profit and loss-Discontinued operations	1.86	–
Total amount recognised in profit and loss-Continuing operations	15.59	17.93
(Gain)/loss from change in financial assumptions	–	6.48
Experience (gains)/losses	–	7.01
Total amount recognised in other comprehensive Income - Continuing operations	–	13.49
Benefit payments	(11.95)	(7.84)
Closing Balance	145.05	141.41

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

	Post retirement medical benefit		Pension	
	2017-18	2016-17	2017-18	2016-17
Opening balance	64.67	50.49	44.02	31.27
Current service cost	2.32	2.89	0.25	0.25
Interest expense/(income)	4.45	3.91	3.12	2.42
Past Service Cost	–	6.04	11.65	10.13
Less: Amount recognised in statement of profit and loss-Discontinued operations	0.86	–	0.19	–
Total amount recognised in profit and loss-Continuing operations	5.91	12.84	14.83	12.80
<i>Remeasurements</i>				
(Gain)/loss from change in financial assumptions	(4.42)	4.75	(4.96)	1.97
Experience (gains)/losses	14.83	(1.26)	10.41	3.13
Total amount recognised in other comprehensive income - Continuing operations	10.41	3.49	5.45	5.10
Benefit payments	(3.13)	(2.15)	(5.85)	(5.15)
Closing Balance	77.86	64.67	58.45	44.02

No additional liability has been recognised as interest rate announced by PF trust is higher than the statutory rate announced by Employee Provident Fund Organization.

Expected remaining life for PF interest guarantee was 7.63 years in 2017-18 against 7.79 years in 2016-17

(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-18					
Defined benefit obligation (gratuity)	61.56	194.65	207.24	238.41	701.86
Leave obligation	17.53	57.40	62.70	157.15	294.78
Post-employment medical benefits	2.73	15.74	28.33	229.54	276.34
Pension	6.57	30.75	34.08	68.32	139.72
Total	88.39	298.54	332.35	693.42	1,412.70
31-Mar-17					
Defined benefit obligation (gratuity)	46.78	171.10	170.54	223.44	611.86
Leave obligation	14.50	55.83	65.24	136.01	271.58
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
Total	69.59	269.11	293.46	610.86	1,243.02

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

(iv) **Sensitivity Analysis**

	Gratuity		Post-employment medical benefits		Leave Obligation		Pension		Interest rate guarantee on provident fund	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
DBO at 31st March with discount rate +1%	394.65	349.90	70.29	57.61	135.20	131.65	54.69	41.05	-	-
Corresponding service cost	8.72	15.62	1.01	2.12	3.93	7.25	0.12	0.22	-	-
DBO at 31st March with discount rate -1%	441.95	394.33	87.14	73.45	156.22	152.54	62.68	47.38	-	-
Corresponding service cost	10.12	18.23	1.55	3.33	4.81	8.87	0.12	0.28	-	-
DBO at 31st March with +1% salary/benefit escalation	432.68	388.58	85.50	68.88	159.27	155.84	-	-	-	-
Corresponding service cost	9.83	17.95	1.57	3.05	4.94	9.08	-	-	-	-
DBO at 31st March with -1% salary/benefit escalation	397.27	351.82	71.48	60.88	132.95	128.80	-	-	-	-
Corresponding service cost	8.81	15.69	1.04	2.35	3.84	7.08	-	-	-	-
DBO at 31st March with +50% withdrawal rate	417.56	371.42	77.38	64.27	145.35	141.61	-	-	-	-
Corresponding service cost	9.56	16.87	1.22	2.58	4.35	8.02	-	-	-	-
DBO at 31st March with -50% withdrawal rate	416.51	370.32	78.38	65.10	144.65	141.20	-	-	-	-
Corresponding service cost	9.50	16.79	1.26	2.94	4.32	7.97	-	-	-	-
DBO at 31st March with +10% mortality rate	417.32	371.20	76.46	63.55	145.22	141.51	56.75	42.69	-	-
Corresponding service cost	9.54	16.85	1.21	2.58	4.34	8.00	0.12	0.24	-	-
DBO at 31st March with -10% mortality rate	416.75	370.54	79.40	65.90	144.78	141.31	60.27	45.46	-	-
Corresponding service cost	9.51	16.81	1.27	2.95	4.33	7.99	0.12	0.25	-	-
Int guarantee Liability 31st March with discount rate +1%	-	-	-	-	-	-	-	-	2.77	-
Int guarantee Liability 31st March with discount rate -1%	-	-	-	-	-	-	-	-	2.97	42.72
Int guarantee Liability 31st March with EPFO rate +0.5%	-	-	-	-	-	-	-	-	39.76	19.47
Int guarantee Liability 31st March with portfolio rate -0.5%	-	-	-	-	-	-	-	-	19.88	19.47

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

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

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

	31-Mar-18	31-Mar-17
Gratuity		
Cash & cash equivalents	358.01	323.04
thereof non-quoted market price	358.01	323.04

Notes forming Part of Financial Statements (Contd.)

(vi) **Actuarial assumptions**

31-Mar-18					
Particulars	Gratuity	Leave obligation	Medical	Pension	Interest guarantee
Discount rate current year (%)	7.60%	7.60%	7.60%	7.60%	7.60%
Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years

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

Expected Remaining Life	2017-18	2016-17
Employees Gratuity Fund	11.30	7.55
Executive Gratuity Fund	6.72	6.77
Leave Encashment	8.84	7.63
PRMB - Non Cov	12.00	10.33
PRMB - Cov	13.67	13.78
Pension	16.26	12.76

Expected contributions to be paid for next year for gratuity for 2017-18 - ₹ 94.12 cr (2016-17- ₹ 69.85 cr.)

Expected contributions to be paid for next year for leave obligation, medical & pension is nil.

Notes forming Part of Financial Statements (Contd.)

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

	2017-18	2016-17
Actual return on plan assets (₹ cr.)	24.79	27.11

(viii) Risk exposure

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

Discount Rate risk : Decrease in discount rate will increase the value of the liability. However, this will partially offset by the increase in the value of plan assets.

Demographic Risk : In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the scheme cost.

Future Salary Increase Risk : In case of gratuity & leave the scheme cost is sensitive to the assumed future salary escalation rates for all 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.

Regulatory Risk : New Act/Regulations may come up in future which could increase the liability significantly in case of Leave obligation, PRMB & Pension. Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). Also in case of interest rate guarantee Exempt Provident Fund must comply with the requirements of the Employees Provident Funds and Miscellaneous Provisions Act 1952 as amended up-to-date.

NOTE - 36 FINANCE COSTS

	₹ in Crore	
	2017-18	2016-17
a) Interest expense	490.42	457.46
b) Other Borrowing Costs	8.83	5.80
	499.25	463.26
Less : Allocated to PPE / CWIP	15.35	15.46
	483.90	447.80

Weighted average capitalisation rate used is 8.11 % (previous year 7.77%)

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 - 37 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation / amortisation of tangible assets	718.54	706.12
Amortisation of intangible assets	13.35	13.62
	731.89	719.74
Less : Recoupment from Retained Earnings (refer note 50)	306.25	318.41
	425.64	401.33

Notes forming Part of Financial Statements (Contd.)

		₹ in Crore	
		2017-18	2016-17
NOTE - 38	OTHER EXPENSES		
a)	Consumption of stores and spares	193.38	234.21
b)	Repairs		
	Building	15.84	19.06
	Plant and Machinery	68.45	75.88
	Distribution System	105.65	125.80
	Others	4.79	5.00
		194.73	225.74
c)	Insurance	12.66	7.98
d)	Rent (including lease rent ₹ 10.23 crore; previous year - ₹ 11.58 crore)	24.91	22.58
e)	Rates and taxes	9.67	8.17
f)	Bad debts / Advances made	35.97	31.61
g)	Provision for Bad Debts	17.60	—
h)	Loss on sale / disposal of Property , Plant & Equipment (net)	—	3.27
i)	Interest on Consumers' Security Deposits	108.01	109.89
j)	Foreign Exchange Restatement loss / (gain)	(30.88)	(68.15)
k)	Mark to Market loss / (gain) on derivatives	23.37	79.76
l)	Corporate social responsibility activities (refer note 51)	19.42	17.47
m)	Miscellaneous expenses	430.29	324.25
		1,039.13	996.78
	Less : transfer to PPE / CWIP etc.	119.04	150.69
		920.09	846.09
NOTE - 39	REGULATORY INCOME	209.24	190.23

Regulatory (Income) / Expenses arise to the Company pursuant to the regulatory provisions applicable to the Company under the provisions of the Electricity Act, 2003 and regulations framed thereunder and disposals made by WBERC on the Company's various petitions / applications, in terms of the said regulations, at different timeframe including the tariff and APR orders for the years notified till date. The effect of adjustments - (income) / expenses, relating to (a) advance against depreciation, (b) cost of electrical energy purchased, fuel related costs including effect of balance sum relating to additional levy and those having bearing on revenue account, as appropriate, based on the Company's understanding of the applicable available regulatory provisions and available orders of the competent authorities, and (c) effect of exchange fluctuation including MTM gain, amounting to ₹ 198 crore (Previous year ₹ 73.38 crore), ₹ (414.75 crore) [Previous year ₹ (252 crore)], and ₹ 7.51 crore [Previous year ₹ (11.61 crore)] respectively have been shown as Regulatory (Income) / Expenses with corresponding sums, reflected in Balance sheet as Regulatory Deferral Account Balance (see Note 18).

Regulatory deferral account debit balance comprise the effect of (a) tax, (b) exchange fluctuation amounting to ₹ 3,487.21 crore (31.03.2017 : ₹ 3,554.76 crore) and ₹ 34.33 crore (31.03.2017 : ₹ 65.21 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 ₹ 1281.07 crore (31.03.2017 : ₹ 1,083.07 crore), ₹ 533.77 crore (31.03.2017 : ₹ 1,064.96 crore) and ₹ 21.15 crore (31.03.2017 : ₹ 44.52 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 - 40 Fair value measurements

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

₹ in crore

	31-Mar-18			31-Mar-17		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial assets						
Investments						
– Equity	4,182.95	7.56		4,084.23		
– Mutual funds			508.37			508.24
– Preference Shares			0.78			
Trade Receivables	1,041.49			968.53		
Loans	32.42			53.83		
Cash and cash equivalents	435.68			682.81		
Other Bank balances	286.92			241.57		
Lease Receivables	57.25			57.09		
Advance to related party / bodies corporate	220.34			2,267.99		
Interest accrued on Bank Deposit	13.30			10.99		
Derivative Asset			21.15			44.52
Receivable towards claims and services rendered	2.36			34.27		
Others				116.43		
Total financial assets	6,272.71	7.56	530.30	8,517.74	–	552.76
Financial liabilities						
Borrowings	5,946.96			5,969.46		
Trade Payables	528.79			387.83		
Interest accrued	10.65			12.02		
Unclaimed dividend	5.11			3.85		
Consumers' Security Deposits	1,607.50			1,699.28		
Others	2,023.01			478.15		
Total financial liabilities	10,122.02	–	–	8,550.59	–	–

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 2018					
Financial assets					
Investment in equity shares	–	7.56	–	7.56	7.56
Investment in liquid mutual fund units	508.37	–	–	508.37	508.37
Investment in Preference Share	–	–	0.78	0.78	0.78
Derivative financial instrument - cross currency swap	–	21.15	–	21.15	21.15
Total	508.37	28.71	0.78	537.86	537.86
As at 31 March 2017					
Financial assets					
Investment in equity shares	–	–	–	–	–
Investment in liquid mutual fund units	508.24	–	–	508.24	508.24
Derivative financial instrument - cross currency swap	–	44.52	–	44.52	44.52
Total	508.24	44.52	–	552.76	552.76

The different levels have been defined below :

- Level 1 :** financial instruments measured using quoted price. The fair value of all equity instruments which are traded in the stock exchanges is determined using the closing price. The mutual funds are valued using the closing NAV.
- Level 2 :** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices).
- Level 3 :** inputs for the asset or liability that are not based on observable market data.

Notes forming Part of Financial Statements (Contd.)

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

- i. The fair values of the mutual fund instruments are based on net asset value of units declared at the close of the reporting date. The fair value of equity shares are based on net asset value of entity as at reporting date.
- ii. The fair values of the cross currency swap is determined using discounted cash flow analysis and swaps and options pricing models.
- iii. The fair value of preference share is determined on the basis of discounted cash flow wherein future cash flows are based on the terms of preference share discounted at rate that reflects market rate. Significant unobservable input used is discount rate and 0.50% increase / decrease in discount rate would results in decrease / increase in fair value of preference share by ₹ 0.07 crore respectively.
- iv. The carrying amounts of trade receivables, trade payables, investment in commercial paper, receivable towards claims and services rendered, other bank balances, interest accrued payable/receivable, cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.
- v. Loans, non-current borrowings, lease receivable, security deposits and restoration liability are based on discounted cash flows using a current borrowing rate.
- vi. Fair value of financial instruments which is determined on the basis of discounted cash flow analysis, considering the nature, risk profile and other qualitative factors. The carrying amounts will be reasonable approximation of the fair value.

NOTE - 41 Financial risk management and Capital Management

The Company's operations of generation and distribution of electricity are governed by the provisions of the Electricity Act 2003 and Regulations framed thereunder by the West Bengal Electricity Regulatory Commission and accordingly the Company, being a licensee under the said statute, is subject to regulatory provisions/ guidelines and issues evolving therefrom, having a bearing on the Company's liquidity, earning, expenditure and profitability, based on efficiency parameters provided therein including timing of disposal of applications / matters by the authority.

The Company being the sole provider of electricity in the licenced area has been managing the operations keeping in view its profitability and liquidity in terms of above regulations. In order to manage credit risk arising from sale of electricity, multipronged approach is followed like maintenance of security deposit, precipitation of action against defaulting consumers, obtaining support of the administrative authority. Credit risk towards Investment of surplus funds is managed by obtaining support of credit rating and appraisal by external agencies and lending bodies. The Company extends financial support by way of loans / guarantees etc. to its subsidiaries / step down subsidiaries only.

The Company manages its liquidity risk on financial liabilities by maintaining healthy working capital and liquid fund position keeping in view the maturity profile of its borrowings and other liabilities as disclosed in the respective notes.

The Company's market risk relating to variation of foreign currency, interest rate and commodity price is mitigated through relevant regulation.

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

NOTE - 42 Related Parties and their Relationship

A. Parent- under de facto control as defined in Ind AS - 110

Rainbow Investments Limited

B. Subsidiary / Joint Venture / Associates

Name	Relationship
Spencer's Retail Limited (SRL)	Subsidiary #
Quest Properties India Limited	Subsidiary #
CESC Infrastructure Limited (CIL)	Subsidiary #
Surya Vidyut Limited	Subsidiary
Nalanda Power Company Limited	Subsidiary
CESC Projects Limited	Subsidiary
Bantal Singapore Pte. Limited	Subsidiary

Notes forming Part of Financial Statements (Contd.)

Name	Relationship
Ranchi Power Distribution Company Limited	Subsidiary
Pachi Hydropower Projects Limited	Subsidiary
Papu Hydropower Projects Limited	Subsidiary
Spen Liq Private Limited	Subsidiary #
Crescent Power Limited (CPL)	Subsidiary
Kota Electricity Distribution Limited (KEDL)	Subsidiary
Bikaner Electricity Supply Limited (BKESL)	Subsidiary
Bharatpur Electricity Services Limited (BESL)	Subsidiary
RP-SG Retail Limited	Subsidiary # (w.e.f 13 May 2017)
RP-SG Business Process Services Limited	Subsidiary # (w.e.f 13 May 2017)
CESC Green Power Limited	Subsidiary (w.e.f 13 May 2017)
Au Bon Pain Café India Limited	Subsidiary **
Haldia Energy Limited (HEL)	Subsidiary **
Dhariwal Infrastructure Limited (DIL)	Subsidiary **
Music World Retail Limited	Step Down Subsidiary #
Omnipresent Retail India Private Limited	Step Down Subsidiary #
Metromark Green Commodities Pvt. Ltd	Step Down Subsidiary #
New Rising Promoters Private Limited	Step Down Subsidiary #
Guiltfree Industries Limited	Step Down Subsidiary #
Firstsource Solutions Limited	Step Down Subsidiary #
Firstsource Group USA, Inc.	Step Down Subsidiary #
MedAssist Holding, LLC	Step Down Subsidiary #
Firstsource Solutions USA, LLC	Step Down Subsidiary #
Firstsource Transaction Services, LLC	Step Down Subsidiary #
Firstsource Business Process Services, LLC	Step Down Subsidiary #
Firstsource Advantage, LLC	Step Down Subsidiary #
Firstsource BPO Ireland Ltd.	Step Down Subsidiary #
Firstsource Solutions UK Ltd.	Step Down Subsidiary #
Firstsource Solutions S.A.	Step Down Subsidiary #
Firstsource-Dialog Solutions Pvt. Ltd.	Step Down Subsidiary #
One Advantage LLC	Step Down Subsidiary #
Firstsource Process Management Services Limited	Step Down Subsidiary #
ISGN Solutions Inc.	Step Down Subsidiary #
ISGN Fulfillment Services, Inc.	Step Down Subsidiary #
ISGN Fulfillment Agency, LLC	Step Down Subsidiary #
Bowlopedia Restaurants India Limited	Step Down Subsidiary #
Apricot Foods Private Limited	Step Down Subsidiary #
Mahuagarhi Coal Company Private Limited	Joint Venture
Noida Power Company Limited	Associate
NPCL Solar Energy Pvt. Ltd	Associate (w.e.f 23rd May 2017)
Nanobi Data and Analytics Private Limited	Associate #

Subsidiary / Step Down Subsidiary / Associate upto 30th September 2017.

**Step Down Subsidiary upto 30th September 2017 and Subsidiary from 1st October 2017.

Notes forming Part of Financial Statements (Contd.)

C. Other Related Parties having transaction during the year

i) Entities under common control

RPG Power Trading Company Limited
 Integrated Coal Mining Limited
 Open Media Network Limited
 Harrison Malayalam Limited
 Phillips Carbon Black Limited
 Saregama India Ltd
 Woodlands Multispeciality Hospital Limited
 Sarala Real Estate Limited
 Dotex Merchandise Private Limited
 Kolkata Metro Networks Limited
 Kolkata Games And Sports Private Limited (KGSPL)
 Stel Holdings Limited
 RP-SG Retail Limited (w.e.f 01 October 2017)
 RP-SG Business Process Services Limited (w.e.f 01 October 2017)
 Castor Investments Limited

ii) Key Management Personnel (KMP)

Name	Relationship
Mr. S. Goenka	Chairman
Mr. P. Chaudhuri	Director
Mr. C .K Dhanuka	Director
Mr. K. Jairaj	Director
Mr. B .M Khaitan	Director
Mr. P.K. Khaitan	Director
Ms. R.Sethi	Director
Mr. Aniruddha Basu	Managing Director (till 28 May 2018)
Mr. Subhasis Mitra	Company Secretary
Mr. Rajarshi Banerjee	Executive Director & Chief Financial Officer

iii) Other Related Parties

Ms.Preeti Goenka (Shareholder and Relative of KMP)
 Mr.Shashwat Goenka (Shareholder and Relative of KMP)
 Khaitan & Co LLP
 Khaitan & Co. (Mumbai)
 Khaitan & Co. (New Delhi)
 Khaitan & Co. AOR
 Khaitan & Co. (Kolkata)
 Khaitan Consultants Ltd.
 CESC Limited Provident Fund
 Calcutta Electric Supply Coporation (I) Ltd. Senior Staff Pension Fund
 CESC Executive Gratuity Fund
 CESC Limited Employee's Gratuity Fund

Notes forming Part of Financial Statements (Contd.)

Details of transactions between the Company and related parties and status of outstanding balances										
D.	Sl. No.	Nature of Transactions	Parent having Control in terms of Ind AS -110, Subsidiaries, Joint Venture & Associate		Entities under common control		Key Management Personnel		Other Related Parties	
			31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
										₹ in crore
1.		Acquisition of investment : RPSG Business Process Services Limited from Haldia energy Limited Spencers Retail Limited Kota Electricity Distribution Limited Bikaner Electricity Supply Limited Noida Power Company Limited from CESC Infrastructure Limited Others	575.05 236.32 224.03 40.00 — 7.20	— (0.83) 1.39 0.62 29.70 3.23	— — — — — —	— — — — — —	— — — — — —	— — — — — —	— — — — — —	— (0.83) 1.39 0.62 29.70 3.23
2.		Advance for Share Subscription : Spencers Retail Limited CESC Infrastructure Limited Dharawal Infrastructure Limited (DIL) Surya Vidyut Limited Kota Electricity Distribution Limited Others	1.40 — (48.00) — — —	690.00 210.00 — 41.27 40.00 36.31	— — — — — —	— — — — — —	— — — — — —	— — — — — —	— — (48.00) — — —	690.00 210.00 — 41.27 40.00 36.31
3.		Short Term Advance : RP-SG Retail Limited RPSG Business Process Services Limited Haldia Energy Limited	44.11 29.40 48.00	— — —	— — —	— — —	— — —	— — —	— — —	— — —
4.		Expense Recoverable / (Payable) :	25.49	(5.97)	21.97	(1.03)	—	—	—	(7.00)
5.		Income from sale / services : Crescent Power Limited Quest Properties India Limited Others	34.58 14.35 1.04	27.47 25.49 11.71	— 11.22 0.10	— — 0.08	— — —	— — —	— — —	27.47 25.49 11.79
6.		Expenses incurred : Haldia Energy Limited (Purchase of Power) Integrated Coal Mining Limited RPG Power Trading Company Limited (Purchase of Power) RPSG Business Process Services Limited KGSP Others	2,217.17 — — — — 18.39	2,032.47 — — — — 23.28	— 274.44 171.84 22.50 47.38 7.43	— 251.45 179.02 — — 5.24	— — — — — —	— — — — — —	2,032.47 251.45 179.02 22.50 47.38 33.63	— 251.45 179.02 — — 31.62
							7.81	3.10		

Notes forming Part of Financial Statements (Contd.)

Details of transactions between the Company and related parties and status of outstanding balances (Contd.)										₹ in crore	
Sl. No.	Nature of Transactions	Parent having Control in terms of Ind AS -110, Subsidiaries, Joint Venture & Associate		Entities under common control		Key Management Personnel		Other Related Parties		Total	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
7.	Sale of Shares of Integrated Coal Mining Limited	-	0.01	-	-	-	-	-	-	-	0.01
8.	Provident Fund & Retiral funds : CESC Limited Provident Fund CESC Limited Employee's Gratuity Fund Others	-	-	-	-	-	-	182.30 37.70 20.43	174.41 31.20 19.98	182.30 37.70 20.43	174.41 31.20 19.98
9.	Balances written off / Provided	7.10	11.10	-	-	-	-	-	-	7.10	11.10
10.	Security Deposit Received / (Refunded)	-	0.02	-	-	-	-	-	-	-	0.02
11.	Dividend paid : Rainbow Investments Limited Others	70.56	58.80	-	-	-	-	-	-	70.56	58.80
		-	-	8.51	5.16	0.16	0.26	0.16	0.03	8.83	5.45
12.	Remuneration of Key Managerial Personnel : Short Term Employee Benefits Post Employment Benefits	-	-	-	-	7.46 1.84	6.02 1.43	-	-	7.46 1.84	6.02 1.43
13.	Remuneration of Directors : Sitting Fees and Commission	-	-	-	-	33.37	24.55	-	-	33.37	24.55
	Outstanding Balance : 1. Debit 2. Credit	- 1,498.83	1,782.66	39.88 14.29	-	- 34.31	- 33.44	- 15.50	- 15.01	39.88 1,548.64	1,796.95 48.45

- a. Shares allotted during the year in respect of Share Application money paid in earlier years are : KEDL- ₹ 40 crore (31.03.17 : Nil) and Others - ₹ 75.58 crore (31.03.17 : Nil).
- b. Refer Note. 31(b) above relating to commitments (letter of comfort) provided to banks towards borrowing obligations as on 31.03.2018 in respect of DIL, HEL, BESL, BKESL, KEDL and CPL amounting to ₹ 862.35 crore (31.03.17: ₹ 761.03 crore), ₹ 105.45 crore, (31.03.2017: ₹ 400.00 crore), ₹ 64.22 crore (31.03.2017: ₹ 64.72 crore), ₹ 161.23 crore (31.03.2017: ₹ 95 crore), ₹ 204.30 crore (31.03.2017: ₹ 229.30 crore) and ₹ 100 crore (31.03.2017 : Nil) respectively.
- c. Outstanding balances are unsecured and settlement occurs in cash.

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

NOTE - 43 Miscellaneous expenses shown in Note no. 38 (m) , include Auditors' Remuneration and expenses :

	2017-18	2016-17
As Statutory Auditors :		
Statutory audit and Limited reviews	1.83	1.69
Other services *	0.98	0.23
As a Tax Auditor	0.10	0.10
Others	0.06	0.12
Reimbursement of expenses including applicable taxes	0.56	0.33

*paid to previous auditors of the Company ₹ 0.74 crore.

NOTE - 44 The major components of Deferred Tax Assets / (Liabilities) based on the temporary difference as at 31st March, 2018 are as under :

a) Deferred tax assets and liabilities (Net)

Deferred tax relates to the following :

₹ in Crore

	April 1, 2017	Recognised through P&L	Recognised through OCI	March 31, 2018
Liabilities				
Difference in WDV of Property, Plant and Equipment	(3,568.88)	49.32	—	(3,519.56)
Fair Valuation of Equity Investment as per IND AS	—	—	(1.76)	(1.76)
Others	(30.62)	5.33	—	(25.29)
Assets				
Items covered under section 43B of Income Tax Act, 1961	3.91	0.70	—	4.61
Others including items covered under section 35DDA of Income Tax Act, 1961	40.83	13.97	—	54.80
Total Deferred Tax Liabilities (Net)	(3,554.76)	69.32	(1.76)	(3,487.21)

	April 1, 2016	Recognised through P&L	Recognised through OCI	March 31, 2017
Liabilities				
Difference in WDV of Property, Plant and Equipment	(3,523.43)	(45.45)	—	(3,568.88)
Others	(28.91)	(1.71)	—	(30.62)
Assets				
Items covered under section 43B of Income Tax Act, 1961	3.82	0.09	—	3.91
Others including items covered under section 35DDA of Income Tax Act, 1961	42.51	(1.68)	—	40.83
Total Deferred Tax Liabilities (Net)	(3,506.01)	(48.75)	—	(3,554.76)

b) Income tax expense

i) Income tax recognised in profit or loss

	March 31, 2018	March 31, 2017
Current tax expense		
Continuing Operations	(237.72)	(237.84)
Discontinued Operations	0.80	(0.53)
Deferred tax expense		
Deferred tax-(Income) / expense	69.32	(48.75)
Regulatory (Income) / expense -deferred tax	(69.32)	48.75
Total income tax expense	(236.92)	(238.37)

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

ii) **Income tax recognised in OCI**

	March 31, 2018	March 31, 2017
Current tax expense		
Remeasurements of defined benefit plans	4.50	10.62
Deferred tax expense		
Deferred Tax on Gain on fair value of Investment	(1.76)	–
Regulatory (Income) / expense -deferred tax	1.76	–
Total income tax expense relating to OCI items	4.50	10.62

₹ in Crore

c) **Reconciliation of tax expense and accounting profit**

	March 31, 2018	March 31, 2017
Accounting profit before tax after Comprehensive Income	1,077.79	1,051.50
Tax using the Company's domestic tax rate (Current year 34.608% and Previous Year 34.608%)	373.00	363.90
Tax effect of amounts adjustable in calculating taxable Income/expenses not considered for tax purpose including difference in depreciation	(97.58)	(172.34)
Incentive & deduction allowed under Income Tax	(32.67)	(37.75)
MAT Adjustments	(10.33)	73.94
INCOME TAX EXPENSE	232.42	227.75

NOTE - 45 Liability in respect of the security deposit collected by the company, in terms of applicable regulations of the WBERC, has been classified as non – current, given the nature of its business in the license area, excepting to the extent of the sum refundable / payable within a year, based on experience.

NOTE - 46 Outstanding foreign currency loans as on 31st March, 2018 as disclosed in Note 21, stands fully hedged in Indian Rupee.

NOTE - 47 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 ₹ 0.39 crore (as on 31.03.17 : ₹ 2.39 crore) and ₹ 1.29 crore (as on 31.03.17 : ₹ 3.01 crore) during next one year and thereafter till five years respectively. There are no restrictions in respect of such leases.

NOTE - 48 Earnings per share :

(i) **Computation of Earnings per share from continuing operations**

Particulars	2017-18	2016-17
Profit for the year from continuing operations after tax (₹ in Crore) (A)	864.66	860.88
Weighted Average no. of shares for Earnings per share (B)	13,25,57,043	13,25,57,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)	65.23	64.94

Computation of Earnings per share from discontinued operations

Particulars	2017-18	2016-17
Profit/ (loss) from discontinued operations after tax for EPS (₹ in Crore) (A)	-2.95	1.98
Weighted Average no. of shares for Earnings per share (B)	13,25,57,043	13,25,57,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)	-0.22	0.15

Computation of Earnings per share - from discontinued & continuing operations (net of tax)

Particulars	2017-18	2016-17
Profit after tax for EPS (₹ in Crore) (A)	861.71	862.86
Weighted Average no. of shares for Earnings per share (B)	13,25,57,043	13,25,57,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)	65.01	65.09

Notes forming Part of Financial Statements (Contd.)

(ii) Computation of Earnings per share from continuing operations-excluding regulatory Income (net of tax)

Particulars	2017-18	2016-17
Profit After Tax excluding regulatory income (₹ in Crore) (A)	700.08	711.27
Weighted Average no. of shares for Earnings per share (B)	13,25,57,043	13,25,57,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)	52.81	53.66

Computation of Earnings per share from discontinued & continuing operations- excluding regulatory Income (net of tax)

Particulars	2017-18	2016-17
Profit After Tax excluding regulatory income (₹ in Crore) (A)	697.13	713.24
Weighted Average no. of shares for Earnings per share (B)	13,25,57,043	13,25,57,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)	52.59	53.81

NOTE - 49 The Company is primarily engaged in generation and distribution of electricity which is the only reportable business segment in line with the segment wise information which is being presented to the CODM. There are no reportable geographical segments, since all business is within India.

The Company is also running a single retail store in state of Gujarat which is not significant for the CODM and hence not considered as reportable segment.

NOTE - 50 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 ₹ 306.25 crore (previous year- ₹ 318.41 crore) and corresponding withdrawal of ₹ 5.18 crore (previous year : ₹ 23.09 crore) consequent to sale / disposal of such assets and the same will be followed in subsequent years.

NOTE - 51 In terms of the provisions of Companies Act, 2013, the required Corporate Social Responsibility (CSR) spending for the year works out to ₹ 19.35 crore (previous year : ₹ 17.47 crore). The said requirement of CSR spending was met by way of contribution to a trust set up for the said purpose and direct expenditure of ₹ 17.10 crore (previous year : ₹ 15.00 crore) and ₹ 2.25 crore (previous year : ₹ 2.47 crore) respectively. Expenditure on account of CSR activities shown under Note no. 38 also include a sum of ₹ 0.07 crore relates to an adjustment pursuant to the Scheme of Arrangement. (refer note 52)

NOTE - 52 In order to lay specific focus on its operations and investments in the areas, inter alia, of power distribution, generation, organised retail (Retail Undertaking) and other sundry areas including business process outsourcing & property (IT Undertaking) by way of due alignment, the Board of Directors of CESC Limited ("Parent", "the Company") at its meeting held on 18th May, 2017 had approved, subject to necessary approvals, a composite scheme of arrangement (Scheme) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 involving the Parent and nine of its subsidiaries (Scheme Companies). The Scheme provides for restructuring of the Parent and its undertakings (all under common control as per Ind-AS 103) referred to in the Scheme into four listed entities, focussed on the above referred four verticals, the appointed date being 1st October 2017("the Appointed Date")

The Company on 5th October, 2018 has received from Hon'ble National Company Law Tribunal (NCLT) (the appropriate authority), the certified copy of the order dated 28 March, 2018 sanctioning the Scheme, subject to a condition that demerger of the Generation Undertaking shall be effective upon approval of the Hon'ble West Bengal Electricity Regulatory Commission (WBERC) to the Power Purchase Agreement (PPA) between the Company and Haldia Energy Limited (One of the Scheme Companies) . Pending the said approval, with necessary legal consultation, the Board of Directors at its meeting held on 12 October, 2018 has decided to give effect to the Scheme as below :

- a) Demerger of the Generation undertaking to be given effect after receipt of necessary approvals from WBERC.
- b) the remaining parts of the Scheme to be given effect from the Appointed Date in terms of the order of Hon'ble NCLT, whereby,
 - i) the said Retail Undertaking (Retail undertaking 1 as per the scheme) and IT Undertaking have been demerged into two entities as stipulated in the Scheme, viz. RP-SG Retail Limited (RSRL) and RP-SG Business Process Services Limited (RSBP) respectively.
 - ii) the three wholly owned subsidiaries, viz; CESC Infrastructure Limited (CIL) (engaged in the business of promoting and supporting entities engaged in infrastructure sector including power), Spencer's Retail Limited (SRL) post demerger of its retail undertaking (Retail undertaking 2 as per the scheme) (engaged in developing and conducting organized retail business) and Music World Retail Limited (MWL) (engaged in the business of organised music retailing stores and selling of music accessories) have been merged with the Company. The balances and transactions of CIL, have been merged on the basis of audited financials of CIL for the six months ended 30th September, 2017 and year ended 31st March, 2018.

- c) Each shareholder of the Company registered on the record date of 31 October, 2018 in respect of every 10 shares is entitled to additional 6 fully paid up equity shares of Rs. 5 each in RP-SG Retail Limited and additional 2 fully paid up equity shares of Rs. 10 each in the RP-SG Business Process Services Limited. CESC Limited is entitled to 500000 fully paid up 0.01% non-cumulative compulsorily redeemable preference shares of Rs. 100 each by RP-SG Retail Limited. Three entities merged with the Company, as stated above, were wholly owned subsidiaries of the Company and hence no consideration was to be given in lieu of transfer of said undertakings.
- d) Necessary accounting effect of the above has been given in these financial statements in terms of the above NCLT order, in the manner detailed herein :
- i) The assets and liabilities as at the Appointed Date acquired/transferred by the Company in terms of the Scheme at book value are summarized below :

Particulars	₹ in Crore	
	Acquired pursuant to Merger of CIL, SRL and MWL	Transferred pursuant to Demerger of Retail and IT undertaking
ASSETS		
Non-current Assets		
Property, Plant and Equipment	2.23	—
Capital work-in-progress	1.61	—
Intangible Assets	—	(86.25)
Financial assets		
Investments	3,597.06	(733.97)
Others	208.36	—
Other Non current assets	1.87	(23.38)
	3,811.13	(843.60)
Current Assets		
Inventories	3.00	—
Financial assets		
Investments	47.42	(575.10)
Cash and cash equivalent	0.30	(130.00)
Others	15.16	(114.80)
Current Tax Assets (Net)	3.12	—
Other current assets	0.19	(0.35)
	69.19	(820.25)
Total Assets	3,880.32	(1,663.85)
LIABILITIES		
Non-current Liabilities		
Financial Liabilities		
Borrowings	20.39	—
Provisions	0.12	(2.90)
	20.51	(2.90)
Current Liabilities		
Financial Liabilities		
Trade Payables		
(a) Total outstanding dues to Micro Enterprises & Small Enterprises	—	—
(b) Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	3.72	—
Others	965.90	—
Other current liabilities	1.56	(0.12)
Provisions	0.22	(4.25)
	971.40	(4.37)
Total liabilities	991.91	(7.27)
Difference between Asset and Liability acquired / transferred	2,888.41	(1,656.58)
Add : Impact on cancellation of investments pursuant to the Scheme	(5,458.66)	—
Less: Consideration (Preference shares) receivable pursuant to scheme of arrangement at fair value	—	0.74
Net Difference arising pursuant to scheme of arrangement	(2,570.25)	(1,655.84)

ii) Pursuant to the Scheme, adjustment of difference arising on application of the Scheme is given in following manner : ₹ in Crore

Particulars	Acquired pursuant to Merger of CIL, SRL and MWL	Transferred pursuant to Demerger of Retail and IT undertaking
Adjusted with Capital Redemption reserve	(20.13)	–
Adjusted with Security premium	(1,738.02)	–
Adjusted with Retained earnings (represents negative capital reserve arising on merger which has been adjusted with retained earnings)	(812.10)	(1,655.84)
	(2,570.25)	(1,655.84)

iii) Authorised share capital of the Company has been increased pursuant to the Scheme of Arrangement.

The above accounting from the Appointed date is as per the Order of the Hon'ble NCLT rather than from effective date for the demergers and first day of the previous period presented for the mergers

e) Further, in respect of discontinued operation for the period upto 30th September 2017 following has been disclosed : ₹ in Crore

Particulars	April 1, 2017 to September 30, 2017	2016-17
Other income	–	10.01
Expenses	3.75	7.50
Profit / (Loss) before tax	(3.75)	2.51
Cash flows :		
Cash flow (used in) /from investing activity	(311.33)	(610.00)

NOTE - 53 Quantitative information :

(Million kWh)

	Particulars	2017-18	2016-17
(a)	Total number of units generated during the year	6337	6053
(b)	Total number of units consumed in Generating Stations	499	498
(c)	Total number of units sent out	5838	5556
(d)	Total number of units purchased during the year	5638	5146
(e)	Total number of units through Unscheduled Interchange (Net)	20	52
(f)	Total number of units delivered	11496	10753
(g)	Total number of units sold as per meter readings	9739	9370
(h)	Total number of units sold to persons other than own consumers and WBSEDCL	611	139
(i)	Total number of units consumed in Company's premises	47	24
(j)	Total number of Units sold to WBSEDCL	38	40

NOTE - 54 The derated installed capacity of the Generating Stations of the Company (as per certification of technical expert) as on 31st March, 2018 was 1125000 kW (31st March, 2017 : 1125000 kW).

NOTE - 55 The Company has reclassified previous year's figures to conform to this year's classification alongwith other regrouping / rearrangement wherever necessary.

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

Kamal Agarwal
 Partner
 Membership No. : 058652
 Kolkata, 14th November, 2018

For and on behalf of Board of Directors

Chairman Sanjiv Goenka
 Managing Director - Generation Rabi Chowdhury
 Managing Director - Distribution Debasish Banerjee
 Company Secretary Subhasis Mitra
 Executive Director & CFO Rajarshi Banerjee

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of CESC Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of CESC Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) its associates and joint ventures, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”) in which is incorporated the financial statements of CESC Infrastructure Limited (“CIL”), merged with the Holding Company pursuant to the scheme of arrangement with effect from October 1, 2017 being the appointed date, derived from the audited financial statements for the year ended March 31, 2018 and 6 months period ended September 30, 2017 audited by another firm of the Chartered Accountants (refer clause 2 in other matter paragraph below).

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Joint Ventures in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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, 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. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 financial statements. 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 (1) and (2) 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

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates joint ventures and CIL, 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 associates and joint ventures as at March 31, 2018, their consolidated profit including other comprehensive income, and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 53 to the consolidated Ind AS financial statements of the Group, in respect of Composite Scheme of Arrangement amongst the Company and few of its subsidiary companies, which was approved vide Order issued by National Company Law Tribunal (“NCLT”) dated March 28, 2018 received by the Company on 5th October 2018 (the Scheme). The NCLT Order made the demerger of the Generation undertaking effective after

Independent Auditors' Report

To the Members of CESC Limited



approval of the Power Purchase Agreement (PPA) between the Company and Haldia Energy Limited by West Bengal Electricity Regulatory Commission (WBERC) (still pending), and rest of the scheme from the appointed date, viz., 1 October 2017. Consequently, rest of the scheme, comprising demerger of Retail undertaking 1 and the IT undertaking, and merger of three subsidiary companies, namely CESC Infrastructure Limited, Spencers Retail Limited (post demerger of Retail undertaking 2 as per the scheme) and Music World Limited, have been implemented from the appointed date as per the NCLT Order rather than from the effective date for the demerger and first day of the previous period for the merger. Our opinion is not qualified in respect of this matter.

Other Matter

- 1) We did not audit the financial statements and other financial information, in respect of 27 subsidiaries, whose Ind AS financial statements include total assets of Rs 12817.76 crore and net assets of Rs 2964.90 crore as at March 31, 2018, and total revenues of Rs 7632.84 crore and net cash inflows of Rs 335.51 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 49.73 crore for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of a associates and a joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates, and joint ventures, is based solely on the report(s) of such other auditors.
- 2) We did not audit the financial statements and other financial information of CIL included in the standalone Ind AS financial statements of the Holding Company whose financial statements and other financial information reflect total assets of Rs.3821.08 crore as at March 31, 2018 and total revenues of Rs. 1.52 crore for the 6 months period ended on that date. The financial statements and other financial information of the said entity have been audited by the another firm of Chartered Accountants whose report have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the transferor Company, is based solely on the report of such auditors. Our opinion is not modified in respect of this matter.
- 3) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited

by the predecessor auditor who expressed an unmodified opinion on those statements on May 18, 2017.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India, refer to our separate report in "Annexure 1" to this report.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group's companies, its associates and joint ventures incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

Independent Auditors' Report

To the Members of CESC Limited



- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2018 has been paid / provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates, joint ventures and CIL, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint

ventures – Refer Note 32 to the consolidated Ind AS financial statements;

- ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates, joint ventures incorporated in India during the year ended March 31, 2018.

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

Chartered Accountants

ICAI Firm Registration Number : 301003E/E300005

per Kamal Agarwal

Partner

Membership No. : 058652

Kolkata

November 14, 2018

Annexure '1' to Independent Auditors' Report

Annexure 1 to the Independent auditor's report of even date on the consolidated financial statements of CESC Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of CESC Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of CESC Limited (hereinafter referred to as the "Holding Company") which includes the internal financial controls over financial reporting of CESC Infrastructure Limited ("CIL"), its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date audited by other firm of Chartered Accountants.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an

understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference

Annexure '1' to Independent Auditors' Report

to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these 14 subsidiary companies, 1 associate companies, 1 joint venture and CIL, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, associate, joint venture and entity incorporated in India.

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

Chartered Accountants

ICAI Firm Registration Number : 301003E/E300005

per Kamal Agarwal

Partner

Membership No. : 058652

Kolkata

November 14, 2018

Consolidated Balance Sheet as at 31st March, 2018

			₹ in crore
Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-current Assets			
Property, Plant and Equipment	5	23,628.15	24,315.90
Capital work-in-progress		216.63	390.54
Investment Property	6	56.03	56.03
Goodwill		—	2,010.56
Other Intangible Assets	7	169.35	243.70
Intangible Assets under development		—	1.35
Investment accounted under equity method		422.72	404.95
Financial Assets			
Investments	8	244.62	17.47
Loans	9	31.00	126.16
Others	10	57.25	174.86
Deferred Tax Assets (Net)	45	1.12	407.60
Other Non current Assets	11	154.25	392.18
(A)		24,981.12	28,541.30
Current Assets			
Inventories	12	582.59	845.36
Financial Assets			
Investments	13	506.37	687.08
Trade receivables	14	1,537.40	1,559.64
Cash and cash equivalent	15	880.53	1,254.74
Bank balances other than cash and cash equivalent	16	313.43	351.32
Loans	17	15.26	26.05
Others	18	74.42	479.22
Current Tax Assets (Net)		21.17	64.24
Other Current Assets	19	508.28	410.30
(B)		4,439.45	5,677.95
Regulatory deferral account balances	(C)	3,566.81	3,653.42
TOTAL ASSETS	(A+B+C)	32,987.38	37,872.67
EQUITY AND LIABILITIES			
EQUITY			
Equity Share capital	20	133.22	133.22
Other Equity	21	8,286.95	10,489.47
Total equity attributable to equity holders of the Company		8,420.17	10,622.69
Non-controlling interest	42	69.39	1,210.05
Total equity	(D)	8,489.56	11,832.74
LIABILITIES			
Non-current Liabilities			
Financial Liabilities			
Borrowings	22	11,047.78	11,589.67
Trade Payables			
(a) Total outstanding dues to micro enterprises and small enterprises		—	—
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		41.02	10.50
Others	23	8.32	37.56
Provisions	24	295.18	280.37
Deferred tax liabilities (Net)	45	3,640.98	3,887.28
Consumers' Security Deposits	52	1,506.74	1,619.01
Other non current liabilities	25	188.77	56.11
(E)		16,728.79	17,480.50
Current Liabilities			
Financial Liabilities			
Borrowings	26	2,200.48	2,372.30
Trade Payables			
(a) Total outstanding dues to micro enterprises and small enterprises	27	7.58	6.07
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	27	683.09	782.97
Others	28	2,008.69	2,283.94
Other current liabilities	29	607.02	644.19
Provisions	30	88.30	95.46
Current Tax Liabilities (Net)		62.27	14.67
(F)		5,657.43	6,199.60
Regulatory deferral account balances	(G)	2,111.60	2,359.83
TOTAL EQUITY & LIABILITIES	(D+E+F+G)	32,987.38	37,872.67
Notes forming part of Consolidated Financial Statements	1-58		

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

For S. R. BATLIBOI & CO LLP

Chartered Accountants

Firm Registration Number - 301003E/E300005

Kamal Agarwal

Partner

Membership No. : 058652

Kolkata, 14th November, 2018

For and on behalf of Board of Directors

Chairman	Sanjiv Goenka
Managing Director - Generation	Rabi Chowdhury
Managing Director - Distribution	Debasish Banerjee
Company Secretary	Subhasis Mitra
Executive Director & CFO	Rajarshi Banerjee

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

₹ in crore			
Particulars	Note No.	2017-18	2016-17
Revenue from operations	33	10,274.86	8,363.36
Other income	34	252.01	229.97
Total Income		10,526.87	8,593.33
Expenses			
Cost of electrical energy purchased for Power Business		2,004.20	948.22
Cost of fuel for Power Business	35	2,890.63	2,526.73
Cost of materials consumed for Retail Business	36	—	6.86
Purchases of stock-in-trade for Retail Business		11.51	29.68
Employee benefit expense	37	970.23	872.77
Finance costs	38	1,302.96	1,372.36
Depreciation and amortisation expense	39	751.47	714.78
Other expenses	40	1,466.61	1,240.21
Total expenses		9,397.61	7,711.61
Profit before share in profit of associate and tax		1,129.26	881.72
Share in net profit of associate		49.73	48.39
Profit before regulatory (income) / expense		1,178.99	930.11
Regulatory Income (net)	41	(67.45)	(45.61)
Profit before tax from continuing operations		1,246.44	975.72
Tax expense			
Current tax (net)		343.84	331.24
Deferred tax - (Income) / expense		(102.21)	38.50
Regulatory (Income) / expense - deferred tax		114.59	(48.75)
Total Tax expenses		356.22	320.99
Profit after Tax (PAT) from continuing operations		890.22	654.73
Profit before tax from discontinued operations		107.30	214.76
Tax expense of discontinued operations		22.27	59.30
Profit after Tax (PAT) from discontinued operations		85.03	155.46
Profit after Tax (PAT)		975.25	810.19
Other comprehensive Income (including discontinued operations)			
<i>Items not to be reclassified to profit or loss</i>			
Remeasurement of defined benefit plan		(21.70)	(51.34)
Income Tax on above		4.78	10.78
Gain on Fair Valuation of Investment		30.12	2.38
Deferred Tax expense on above		(8.36)	—
Regulatory Income/(expense) - deferred tax		1.76	—
		6.60	(38.18)
<i>Items to be reclassified to profit or loss</i>			
Net changes in fair value of cash flow hedges		(36.62)	20.62
Exchange difference on translation of foreign operations		31.44	(68.59)
		(5.18)	(47.97)
Total Other Comprehensive Income		1.42	(86.15)

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018 (contd.)

₹ in crore			
Particulars	Note No.	2017-18	2016-17
Total comprehensive Income for the year		976.67	724.04
Profit attributable to			
Owners of the equity		912.60	690.84
Non-controlling interest		62.65	119.35
		975.25	810.19
Other Comprehensive Income attributable to			
Owners of the equity		(1.85)	(64.84)
Non-controlling interest		3.27	(21.31)
		1.42	(86.15)
Total Comprehensive Income attributable to			
Owners of the equity		910.75	626.00
Non-controlling interest		65.92	98.04
		976.67	724.04
Earnings per equity share (Face value of Rs 10 per share)	46		
Basic & Diluted from continuing operations		67.01	49.73
Basic & Diluted from discontinued operations		1.84	2.39
Basic & Diluted from continuing and discontinued operations		68.85	52.12
Notes forming part of Consolidated Financial Statements	1-58		

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

For S. R. BATLIBOI & CO LLP
 Chartered Accountants
 Firm Registration Number - 301003E/E300005
 Kamal Agarwal
 Partner
 Membership No. : 058652
 Kolkata, 14th November, 2018

For and on behalf of Board of Directors

Chairman	Sanjiv Goenka
Managing Director - Generation	Rabi Chowdhury
Managing Director - Distribution	Debasish Banerjee
Company Secretary	Subhasis Mitra
Executive Director & CFO	Rajarshi Banerjee

Consolidated Cash Flow Statement for the year ended 31st March 2018

	₹ in crore	
Particulars	2017-18	2016-17
A. Cash flow from Operating Activities		
Profit before tax from continuing operations	1,246.44	975.72
Profit before tax from discontinued operations	107.30	214.76
	1,353.74	1,190.48
Adjustments for :		
Depreciation and amortisation expenses	811.00	714.78
Loss on sale / disposal of assets (net)	7.87	4.83
Gain on sale of current investments (net)	(57.91)	(51.17)
Gain on sale of Non current investments	(0.04)	—
Employee stock compensation expense	2.64	—
Provision for obsolete stock	—	0.12
Allowances for doubtful debts, Store / Lease Deposits / Advances made / Security deposit	20.77	—
(Gain)/ loss on sale of domestic contracts	0.78	—
Bad debts, advances, other receivables written off	37.34	18.51
Finance Cost	1,333.44	1,372.36
Interest Income	(40.71)	(33.74)
Effect of Foreign Currency Transactions / Translation (net)	(64.11)	(54.43)
MTM Loss on derivative	92.08	16.25
Other Operating/Non Operating Income	(58.45)	(85.35)
Operating Profit before Working Capital changes	3,438.44	3,092.64
Adjustments for :		
Trade and other receivables	(1,226.90)	(932.30)
Inventories	258.06	(148.63)
Trade and other payables	335.23	989.11
Cash Generated from Operations	2,804.83	3,000.82
Income Tax paid (net of refund)	(372.70)	(345.66)
Net cash flow from Operating Activities	2,432.13	2,655.16
B. Cash flow from Investing Activities		
Purchase of Property, Plant & Equipment / Capital Work-in-Progress	(894.43)	(1,471.96)
Proceeds from sale of Property, Plant & Equipment	13.11	21.95
Income from investment property	6.05	—
Purchase of Non-current investments	(206.88)	—
Sale/(purchase) of Current Investments (net)	187.33	(10.29)
Sale of Non current Investments	—	0.02
Interest received	31.14	37.51
Investment in bodies corporate (net)	50.76	(63.43)
Net Movement in Bank Balance not Considered as Cash and Cash Equivalents	(168.50)	(6.98)
Net cash used in Investing Activities	(981.42)	(1,493.18)

Consolidated Cash Flow Statement for the year ended 31st March 2018 (Contd.)

Particulars	₹ in crore	
	2017-18	2016-17
C. Cash flow from Financing Activities		
Issue of Share Capital	2.17	15.78
Proceeds from Long Term Borrowings	1,938.49	2,478.86
Repayment of Long Term Borrowings	(1,857.37)	(1,603.53)
Net increase/(decrease) in Cash Credit facilities and other Short Term Borrowings	4.27	(13.09)
Advance received from Consumers	36.45	25.61
Finance Costs paid	(1,382.81)	(1,503.63)
Dividends paid	(157.81)	(132.92)
Dividend tax paid	(32.38)	(26.99)
Net Cash flow from Financing Activities	(1,448.99)	(759.91)
Net Increase / (Decrease) in cash and cash equivalents	1.72	402.07
Cash and Cash equivalents - Opening Balance [Refer Note 15]	1,254.74	852.67
Cash and Cash equivalents - Acquired Pursuant to Scheme of Arrangement* [Refer Note 53]	1.85	—
Cash and Cash equivalents - Transferred Pursuant to Scheme of Arrangement (net) [Refer Note 53]	(377.78)	—
Cash and Cash equivalents - Closing Balance [Refer Note 15]	880.53	1,254.74

Note : Above statement includes discontinued operations

Changes in liabilities arising from financing activities					₹ in crore
Particulars	1-Apr-17	Cash flows	Other	Transferred pursuant to the Scheme of Arrangement	31-Mar-18
Current borrowings	2,372.30	4.27	135.50	(311.59)	2,200.48
Non-Current borrowings (including Current Maturities)	13,259.50	81.12	(177.97)	(716.03)	12,446.62
Total liabilities from financing activities	15,631.80	85.39	(42.47)	(1,027.62)	14,647.10

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

For S. R. BATLIBOI & CO LLP

Chartered Accountants

Firm Registration Number - 301003E/E300005

Kamal Agarwal

Partner

Membership No. : 058652

Kolkata, 14th November, 2018

For and on behalf of Board of Directors

Chairman	Sanjiv Goenka
Managing Director - Generation	Rabi Chowdhury
Managing Director - Distribution	Debasish Banerjee
Company Secretary	Subhasis Mitra
Executive Director & CFO	Rajarshi Banerjee

Notes forming Part of Consolidated Financial Statements

Consolidated Statement of Changes in Equity for the year ended 31st March 2018

A Equity Share Capital

₹ in crore

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Shares of Rs 10 each issued, subscribed and fully paid			
As at 31 March 2017	133.22	—	133.22
As at 31 March 2018	133.22	—	133.22

B Other Equity

Particulars	Reserves and Surplus								Total
	Fund for unforeseen exigencies	Securities Premium	Capital Redemption Reserve	Retained Earnings (refer note 21)	Employee Stock Option Reserve	Effective portion of Cash Flow Hedges	FVTOCI Reserve	Exchange differences on translating the financial statements of a foreign operation	
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	—	—	—	(19.25)	—	20.62	2.38	(68.59)	(64.84)
Total Comprehensive Income for the year	212.08	1,738.07	20.13	8,967.00	8.40	60.32	0.19	90.30	11,096.49
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	—	(117.51)	3.71	—	—	—	(105.97)
Withdrawal of additional depreciation during the year (Refer Note 51)	—	—	—	(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	8,332.28	12.11	60.32	0.19	90.30	10,489.47

Particulars	Reserves and Surplus								Total
	Fund for unforeseen exigencies	Securities Premium	Capital Redemption Reserve	Retained Earnings (refer note 21)	Employee Stock Option Reserve	Effective portion of Cash Flow Hedges	FVTOCI Reserve	Exchange differences on translating the financial statements of a foreign operation	
Balance as at 1 April, 2017	228.24	1,745.90	20.13	8,332.28	12.11	60.32	0.19	90.30	10,489.47
Profit for the year	—	—	—	912.60	—	—	—	—	912.60
Other Comprehensive Income / others for the year	—	—	—	(17.35)	—	(20.08)	18.34	17.24	(1.85)
Total Comprehensive Income for the year	228.24	1,745.90	20.13	9,227.53	12.11	40.24	18.53	107.54	11,400.22
Adjustment pursuant to Scheme of Arrangement (Refer Note 53)	—	(1,745.90)	(20.13)	(697.18)	(13.55)	(40.24)	—	(94.83)	(2,611.83)
Dividends paid (incl tax there on) (Note 20)	—	—	—	(191.45)	—	—	—	—	(191.45)
Transfer to/from retained earnings	15.93	—	—	(15.93)	—	—	—	—	—
Adjustments during the year	—	—	—	—	1.44	—	—	—	1.44
Withdrawal of additional depreciation during the year (Refer Note 51)	—	—	—	(306.25)	—	—	—	—	(306.25)
Withdrawal of residual amount added on fair valuation consequent to sale/disposal of assets (Note 51)	—	—	—	(5.18)	—	—	—	—	(5.18)
Balance as at 31 March, 2018	244.17	—	—	8,011.54	—	—	18.53	12.71	8,286.95

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

For S. R. BATLIBOI & CO LLP

Chartered Accountants

Firm Registration Number - 301003E/E300005

Kamal Agarwal

Partner

Membership No. : 058652

Kolkata, 14th November, 2018

For and on behalf of Board of Directors

Chairman	Sanjiv Goenka
Managing Director - Generation	Rabi Chowdhury
Managing Director - Distribution	Debasish Banerjee
Company Secretary	Subhasis Mitra
Executive Director & CFO	Rajarshi Banerjee

Notes forming Part of Consolidated Financial Statements

NOTE - 1 SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

The financial statements have been prepared on a historical cost basis, except for the following :

- a) Certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- b) Investments are carried at fair value

(a) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is acquired by the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income 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 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.

(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(l) below.

(v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(b) Use of estimates

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

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(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 branches 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 of monetary items are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

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

Notes forming Part of Consolidated Financial Statements (Contd.)

(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 or the parent ceases the control, the relevant amount in foreign currency translation reserve is transferred to net profit in the statement of profit and loss. However, when a change in the Parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

(e) Revenue recognition

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

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 collected from consumers and payable to the State Government.

The Parent and some of its subsidiaries receive 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 distribution network. Revenue is recognised in respect for such contributions so received from consumers in the year they are connected to the distribution network.

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

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 contracts containing milestones are recognised only when the services for a given milestone are provided and accepted by the customer and the billable amount are no longer contingent upon any further service. Unbilled receivables represent cost incurred and revenues recognised on contracts to be billed in subsequent periods as per the terms of the contract.

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.

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.

The said subsidiary company 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 subsidiary at the time of sale to customer and inventory risk remains with the vendor. The subsidiary considers concessionaire to be the primary obligor and hence recognises only its net margin in the statement of profit and loss.

Gift vouchers /cards sales are recognised when the vouchers are redeemed and goods are sold to the customers.

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.

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.

(f) Government grants

Government grants are recognized when reasonable certainty 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 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 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 the Parent and one of the subsidiary namely, Haldia Energy Limited 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.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be recognized and there is a reasonable certainty for such tax credit benefit will be taken in the period(s) till which it is available.

Deferred tax 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.

(h) Leases

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

Company as lessee

Finance Lease

Finance leases are capitalised at present value of the minimum lease payments at the lease's inception and disclosed as leased

Notes forming Part of Consolidated Financial Statements (Contd.)

property. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

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

Operating Lease

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

Company as lessor

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. The respective leased assets are included in the balance sheet based on their nature.

(i) Business combinations

Other than under common control

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs that the 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.

Under common control

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

(j) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and cash on hand and term deposit.

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

(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.

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.

(l) Financial asset

The financial assets are classified in the following categories :

1. financial assets measured at amortised cost,
2. financial assets measured at fair value through profit and loss, and
3. equity instruments

The classification of financial assets depends on the 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.

Financial assets measured at amortised cost

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

Financial instruments measured at fair value through profit and loss

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

Investments in units of mutual funds are accounted for at fair value and the changes in fair value are recognised in statement of Profit and Loss.

Equity Instruments

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

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.

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

(m) Derivatives and Hedging

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 the Parent and one of its subsidiary, 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.

Notes forming Part of Consolidated Financial Statements (Contd.)

(o) Property, plant and equipment (PPE)

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

For the Parent and one of its subsidiary company in terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a prorata basis at the useful life specified therein, the basis of which is considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the tariff for the year of the Company. Additional charge of depreciation for the year on increase in value arising from fair valuation is recouped from Retained Earnings. Leasehold land is amortized over the unexpired period of the lease.

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 life are realistic and reflect fair approximation of the period over which the assets are likely to be used. These useful lives are different in some cases than those indicated in Schedule II of the Companies Act 2013, which are disclosed below :

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Useful Life of Tangible Assets

Particulars	Useful Life of Assets
Leasehold Land	25-99 Years
Buildings and Structures	3-60 Years
Plant and Equipment	5-50 Years
Distribution System	25-40 Years
Meters	7-15 Years
River Tunnel	50 Years
Furniture and Fixtures	2-15 Years
Office Equipment	2-15 Years
Vehicles	5-10 Years
Railway Sidings	15-50 Years

(p) Investment properties

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

Intangible assets comprising Computer Softwares, Licenses and mining rights, expected to provide future enduring economic benefits are stated at cost of acquisition / implementation 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.

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.

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 amortized 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.

The current and non-current bifurcation has been done as per the Actuarial report. Actuarial gains and losses where applicable are recognised through Other Comprehensive Income.

Compensation in respect of voluntary retirement scheme is charged off to revenue.

(s) Employee Stock Compensation cost

The Group operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the granting of the options and the discount on the shares granted are recognised as an expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (i.e. the vesting date). Non-market vesting conditions are included in assumption about the number of options that are expected to become exercisable. On each balance sheet date the Group revises its estimates of the number of options that are expected to become exercisable. The impact of the revision of original estimates, if any, is recognised immediately in the Statement of Profit and Loss with a corresponding adjustment to equity.

(t) Regulatory deferral accounts balances

The Parent and one of the subsidiary company engaged in power business is a rate regulated entity and applies Ind AS 114, Regulatory Deferral Accounts. Expenses/ income recognized as Regulatory Income/Expenses in the Statement of Profit & Loss to the extent recoverable or payable in subsequent periods based on the Company's understanding of the provision of the applicable regulations framed by the West Bengal Electricity Regulatory Commission (WBERC) and/or their pronouncements/orders, with corresponding balances shown in the Balance-sheet as Regulatory Deferral Account balances. Regulatory Deferral Accounts balances are adjusted from the year in which these crystallise.

(u) Provisions and contingencies

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

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

(v) 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.

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 2 The preparation of financial statements requires the use of accounting estimates, judgements and assumptions which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

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

The areas involving critical estimates or judgements are :-

Estimation of Restoration liability - Refer Note 1(q)

Impairment of Trade Receivables - Refer Note 1(l)

Estimates used in actuarial valuation of employee benefits - Refer Note 37

Estimates of useful life of intangible assets - Refer Note 7

Recognition of DTA for carryforward of tax losses - Refer Note 45

Estimation of Regulatory Items - Note 31 and 41

Note - 3 New standards that are not yet effective

The amendments to standards issued but not yet effective up to the date of issuance of the Consolidated financial statements is disclosed below. The Group intends to adopt this standard, if applicable, when it becomes effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard :

a. Issue of Ind AS 115 Revenue from Contracts with Customers

The Group has evaluated the impact of implementation of Ind AS 115 "Revenue from Contracts with Customers" which is applicable to it w.e.f 1st April 2018 and basis the evaluation done and based on the arrangement that the Group has with its consumers, the implementation of Ind AS 115 does not have any significant impact on the profit or loss of the Company.

b. Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards :

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes
- iv. Ind AS 28 - Investments in Associates and Joint Ventures and
- v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above amendments does not have significant impact on the Group's financial statement.

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 4 The subsidiaries and associates considered in the preparation of the Consolidated Financial Statements are :

Sl. No.	Name of Subsidiaries and Associates	Country of Incorporation	Percentage of ownership interest as at 31st March, 2018	Percentage of ownership interest as at 31st March, 2017
1	Haldia Energy Limited(HEL)	India	100.00	100.00
2	Dhariwal Infrastructure Limited (DIL)	India	100.00	100.00
3	Surya Vidyut Limited (SVL)	India	100.00	100.00
4	Nalanda Power Company Limited *	India	100.00	100.00
5	CESC Projects Limited *	India	100.00	100.00
6	Bantal Singapore Pte Limited	Singapore	100.00	100.00
7	Pachi Hydropower Projects Limited *	India	100.00	100.00
8	Papu Hydropower Projects Limited *	India	100.00	100.00
9	Ranchi Power Distribution Company Limited *	India	100.00	100.00
10	Crescent Power Limited (CPL)	India	67.83	67.83
11	Kota Electricity Distribution Limited (KEDL)	India	100.00	100.00
12	Bikaner Electricity Supply Limited (BKSL)	India	100.00	100.00
13	Bharatpur Electricity Services Limited (BESL)	India	100.00	100.00
14	CESC Green Power Limited	India	100.00	100.00
15	Noida Power Company Limited (NPCL) (49.55% Associate)	India	49.55	49.55
16	Noida Solar Energy Private Limited (100% subsidiary of NPCL)	India	49.55	—
17	Spencer's Retail Limited (SRL) # @	India	100.00	100.00
18	Music World Retail Limited (100% subsidiary of SRL) # @	India	100.00	100.00
19	Au Bon Pain Café India Limited #	India	93.10	93.10
20	RP-SG Retail Limited (RRL) #	India	100.00	100.00
21	Omnipresent Retail India Private Limited (100% subsidiary of RRL) #	India	100.00	100.00
22	RP-SG Business Process Limited (RP BPS) #	India	100.00	100.00
23	Guilfree Industries Limited (GIL) (100% Subsidiary of RP BPS) #	India	100.00	100.00
24	Quest Properties India Limited (QPL) #	India	100.00	100.00
25	Metromark Green Commodities Private Limited(100% subsidiary of QPL) #	India	100.00	100.00
26	CESC Infrastructure Limited (CIL) # @	India	100.00	100.00
27	Spen Liq Private Limited (SLPL) #	India	100.00	100.00
28	Firstsource Solutions Limited (FSL) #	India	54.47	54.89
29	Firstsource Group USA Inc (FG US) (100% subsidiary of FSL) #	USA	54.47	54.89
30	Firstsource BPO Ireland Limited (100% subsidiary of FSL) #	Ireland	54.47	54.89
31	Firstsource Solutions UK Limited (FS UK).(100% subsidiary of FSL) #	UK	54.47	54.89
32	Firstsource Process Management Services Limited (100% subsidiary of FSL) #	India	54.47	54.89
33	Firstsource-Dialog Solutions Pvt. Limited (74% subsidiary of FSL) #	Sri Lanka	40.31	40.62
34	Firstsource Business Process Services,LLC (FBPS) (100% subsidiary of FG US) #	USA	54.47	54.89
35	Firstsource Solutions USA LLC (100% subsidiary of MH Inc.) #	USA	54.47	54.89
36	Firstsource Advantage LLC (100% subsidiary of FBPS) #	USA	54.47	54.89
37	Firstsource Transaction Services LLC (100% subsidiary of FS SA) #	USA	54.47	54.89
38	Firstsource Solutions S.A.(FS SA) (99.98% subsidiary of FS UK) #	Argentina	54.46	54.88
39	Medassit Holding LLC (MH Inc) (100% subsidiary of FG US) #	USA	54.47	54.89
40	One Advantage LLC (100% subsidiary of FBPS) #	USA	54.47	54.89
41	ISGN Solutions Inc. (100% subsidiary of FG US) #	USA	54.47	54.89
42	ISGN Fulfillment Services, Inc. (100% subsidiary of ISGN Solutions Inc.) #	USA	54.47	54.89
43	ISGN Fulfillment Agency, LLC (100% subsidiary of ISGN Fulfillment Services, Inc) #	USA	54.47	54.89
44	Nanobi Data and Analytics Private Limited (21.79% associate of FSL) #	India	11.87	11.87
45	New Rising Promoters Private Limited (100% subsidiary of CPL) # @	India	67.83	67.83
46	Bowlopedia Restaurants India Limited (100% subsidiary of RP BPS) #	India	100.00	100.00
47	Apricot Foods Private Limited (70% subsidiary of GIL) #	India	70.00	—

* Subsidiary companies are yet to commence their commercial operations

Pursuant to Scheme of Arrangement (refer note 53) was subsidiary upto 30.09.2017

@ Merged with the immediate parent company (refer note 53) w.e.f 01.10.2017

NOTE - 5 PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

PARTICULARS	COST / DEEMED COST					DEPRECIATION / AMORTISATION					NET BLOCK		
	As at 1st April 2017	Add: Additions/ Adjustments on Acquisition	Add: Additions/ Adjustments	Less: Adjustment pursuant to Scheme of Arrangement #	Less: Withdrawals/ Adjustments	As at 31st March, 2018	As at 1st April 2017	Add: Additions/ Adjustments on Acquisition	Add: Additions/ Adjustments* Adjustments	Less: Adjustment pursuant to Scheme of Arrangement #	Less: Withdrawals/ Adjustments	As at 31st March, 2018	As at 31st March, 2017
Land													
Freehold	2,507.13	22.92	2.18	23.12	0.23	2,508.88	—	—	—	—	—	2,508.88	2,507.13
Leasehold (Refer note below)	706.90	—	0.40	0.50	—	706.80	40.43	—	24.16	—	—	642.21	666.47
Buildings and Structures	2,033.58	8.76	51.29	431.69	41.72	1,620.22	180.26	1.61	83.30	13.50	33.73	1,402.28	1,853.32
Plant and Equipment	13,319.31	27.91	342.86	81.42	39.86	13,568.80	1,130.65	13.32	663.57	36.00	4.86	1,766.68	12,188.66
Distribution System	6,914.71	—	473.89	—	49.44	7,339.16	517.92	—	281.75	—	43.09	756.58	6,396.79
Meters and Other Apparatus on Consumers' Premises	302.70	—	62.51	—	11.23	353.98	25.16	—	35.87	—	7.88	53.15	277.54
River Tunnel	2.78	—	—	—	—	2.78	1.10	—	0.55	—	—	1.13	1.68
Furniture and Fixtures	116.11	0.06	11.98	85.51	3.75	38.89	33.25	0.05	10.81	32.27	2.41	9.43	82.86
Office Equipment	233.33	1.46	38.34	81.19	80.82	111.12	110.93	1.22	24.14	34.06	71.47	30.76	122.40
Vehicles	11.22	1.65	4.50	4.04	1.98	11.34	3.16	1.09	2.75	2.21	1.65	3.14	8.06
Railway Sidings	230.27	—	69.82	0.54	—	299.55	19.28	—	10.19	0.02	—	29.45	210.99
	26,378.04	62.76	1,057.78	708.02	229.03	26,561.52	2,062.14	17.29	1,137.09	118.06	165.09	2,933.37	24,315.90
Previous Year	25,011.97	86.41	1,433.89	—	154.23	26,378.04	972.64	85.88	1,091.88	—	88.26	2,062.14	24,315.90

Refer Note 53

* includes Rs 94.07 crore (31.03.2017 : Rs 75.11 crore) relating to discontinued operations

Note :

These lease agreements are non-cancellable in nature and cannot be terminated during the tenure of lease. These agreements are generally renewable by mutual consent on mutually agreeable terms. 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 year 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.

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 6 INVESTMENT PROPERTY

₹ in Crore

PARTICULARS	COST / DEEMED COST					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1st April 2017	Add: Additions/ Adjustments on Acquisition	Add: Additions/ Adjustments	Less: Adjustment pursuant to Scheme of Arrangement #	Less: Withdrawals/ Adjustments	As at 31st March, 2018	As at 1st April 2017	Add: Additions/ Adjustments	Less: Adjustment pursuant to Scheme of Arrangement #	Less: Withdrawals/ Adjustments	As at 31st March, 2018	As at 31st March, 2017
Land - Freehold	56.03	-	-	-	-	56.03	-	-	-	-	56.03	56.03
Previous Year	56.03	-	-	-	-	56.03	-	-	-	-	56.03	56.03

- a) Income earned recognised in Statement of profit and loss Rs 6.13 crore
- b) Fair valuation of the above land as per rent capitalisation method (income approach) amounts to Rs 282 crore (as on 31.03.2017 : Rs 272 crore) as per approved independent valuer and categorised as level 2. The main inputs used in determining the fair valuation of the Investment Property are utility , marketability , self liquidity , future rentals , etc.
- c) The lease term in respect of Investment property given under Operating Lease is 25 years which can be extended upon the sole discretion of the Company. This lease has been granted to Quest Properties India limited to construct, develop, operate and maintain a mall during the said lease term and the aforesaid property has been offered as security in respect of financial assistance availed of by the said Company. Incentive given by the Company by way of rent free period for development of the Investment Property has been spread across the period of the contract. Future minimum lease rental receivables during next one year Rs 12.26 crore later than one year but not later than five years Rs 49.05 crore and later than five years Rs 118.54 crore.
- # Refer Note 53

NOTE - 7 INTANGIBLE ASSETS

₹ in Crore

PARTICULARS	COST					AMORTISATION					NET BLOCK	
	As at 1st April 2017	Add: Additions/ Adjustments on Acquisition	Add: Additions/ Adjustments	Less: Adjustment pursuant to Scheme of Arrangement #	Less: Withdrawals/ Adjustments	As at 31st March, 2018	As at 1st April 2017	Add: Additions/ Adjustments*	Less: Adjustment pursuant to Scheme of Arrangement #	Less: Withdrawals/ Adjustments	As at 31st March, 2018	As at 31st March, 2017
Trademarks	22.40	-	-	22.40	-	-	3.20	3.75	6.95	-	-	19.20
Licences	45.59	-	2.31	12.10	1.94	33.86	4.16	2.17	2.79	0.64	2.90	41.43
Customer Contracts	10.81	-	0.07	10.88	-	-	3.73	1.78	5.37	0.14	-	7.07
Computer Software	119.63	-	23.44	103.95	15.29	23.83	62.68	19.37	54.39	10.73	16.93	56.95
Mining Rights	131.69	-	20.19	-	-	151.88	12.65	7.74	-	-	20.39	119.04
Non Compete Fees	-	5.43	-	5.43	-	-	-	0.46	0.46	-	-	-
Distributor Relationship	-	21.25	-	21.25	-	-	-	0.90	0.90	-	-	-
Brand	-	237.15	-	237.15	-	-	-	-	-	-	-	-
Previous Year	330.12	263.83	46.01	413.16	17.23	209.57	86.42	36.17	70.86	11.51	40.22	243.70
	245.57	14.90	74.74	-	5.09	330.12	34.43	57.55	-	5.56	86.42	243.70

Refer Note 53

*includes Rs 21.46 crore (31.03.2017 : Rs 26.53 crore) relating to discontinued operations.

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 8 NON CURRENT INVESTMENTS

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
a	Investments carried at fair value through other comprehensive income (FVTOCI)		
(i)	Investments in Equity Instruments - Quoted		
	1,21,95,122 (31.03.2017 : 1,21,95,122) fully paid Equity Shares of Resource Generation Limited	4.73	4.88
	3,84,608 (31.03.2017 : Nil) fully paid Equity Shares of Rs 5 each of ICICI Securities Limited	20.00	—
(ii)	Investments in Equity Instruments - Unquoted		
	13,000 (31.03.2017 : 13,000) fully paid Equity Shares of Integrated Coal Mining Limited of Rs 10 each	30.23	—
	Nil (31.03.2017 : 10,000) fully paid Equity Shares of Retailer's Association of India Limited of Rs 10 each #	—	0.01
(iii)	Investments in Preference Shares - Unquoted		
	18,68,80,000 (31.03.2017 : Nil) fully paid Preference Shares of Integrated Coal Mining Limited of Rs 10 each *	186.88	—
	5,00,000 (31.03.2017 : Nil) 0.01% non cumulative compulsorily redeemable Preference shares of face value Rs. 100 each shall be issued by RPSG Retail Limited #	0.78	—
b	Investments in associate - Unquoted - carried at fair value through OCI		
	Nil (31.03.2017 : 1,000) fully paid Equity Shares of Rs 10 each of Nanobi Data and Analytics Private Limited #	—	0.01
	Nil (31.03.2017 : 375,884) fully paid Compulsorily Convertible Cumulative Preference Shares of Rs 10 each of Nanobi Data and Analytics Private Limited #	—	2.99
c	Investments in associate - Unquoted - carried at fair value through profit and loss		
	Nil (31.03.2017 : 263,159) fully paid Compulsorily Convertible Cumulative Preference Shares of Rs 10 each of Nanobi Data and Analytics Private Limited #	—	5.00
d	Investments carried at amortised cost - Unquoted		
	Philippines treasury bills**#	—	2.58
e	Investments in Mutual Funds - Quoted - carried at fair value through profit and loss		
	20,00,000 (31.03.2017 : 20,00,000) units of HDFC CFCC - Debt Plan - Direct Option - 100% Dividend Donation of Rs 10 each	2.00	2.00
		244.62	17.47
*Preference shares are convertible into equity at the ratio of 1:1 at the option of the issuer or redeemable at the end of 20 years from the date of issue (31.03.2018). Payment of dividend is discretionary and non-cumulative.			
**These securities have been earmarked in favour of SEC, Philippines in compliance with corporation code of Philippines.			
# Investment transferred/ acquired pursuant to Scheme of Arrangement (refer Note 53)			
Investment in quoted investments :			
	Aggregate Book value	26.73	6.88
	Aggregate Market value	26.73	6.88
Investment in unquoted investments :			
	Aggregate Book value	217.89	10.59

Notes forming Part of Consolidated Financial Statements (Contd.)

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
NOTE - 9	NON CURRENT - LOANS		
	Considered good - Unsecured		
	Security Deposit	27.27	122.58
	Loans to employees	3.73	3.81
	Deposits - credit impaired	—	1.14
		31.00	127.53
	Less : Provision for doubtful Deposits	—	1.37
		31.00	126.16
NOTE - 10	OTHER NON CURRENT FINANCIAL ASSETS		
	Considered good - Unsecured		
	Lease Receivables	57.25	—
	Margin Money deposits	—	26.00
	Others (includes deferred rent, derivative assets etc. also refer note 41)	—	148.86
		57.25	174.86
NOTE - 11	OTHER NON CURRENT ASSETS		
	a. Capital Advances	29.29	112.72
	b. Advances other than capital advances		
	Lease Receivable	—	1.53
	Unexpired Rebate	—	17.53
	Prepaid Expenses	7.71	44.28
	Others	117.25	216.12
	(Includes amount incurred by the company for setting up power projects to be transferred to the specific project on completion of the same, arrear revenue sharing etc.)		
		154.25	392.18
NOTE - 12	INVENTORIES		
	a. Raw Materials	—	1.84
	b. Work-in-progress	—	12.12
	c. Finished Goods	—	0.06
	d. Traded Goods	3.01	240.47
	e. Fuel (includes goods in transit Rs 82.58 crore; 31.03.2017 : Rs 63.70 crore)	295.68	338.67
	f. Stores and Spares	283.90	255.08
	g. Packing Materials	—	2.49
		582.59	850.73
	Less : Provision for obsolete stock of Traded Goods and Packing Materials	—	5.37
		582.59	845.36

Notes forming Part of Consolidated Financial Statements (Contd.)

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
NOTE - 13	CURRENT INVESTMENTS		
	Investments in Mutual funds carried at fair value through profit and loss - Quoted	506.37	680.52
	Investment in Equity Instruments carried at cost - Unquoted		
	Nil (31.03.17: 65,56,800) Equity Shares of APA Services Private Limited of Rs 10 each fully paid up	—	6.56
		506.37	687.08
	<u>Investment in quoted investments:</u>		
	Aggregate Book value	506.37	680.52
	Aggregate Market value	506.37	680.52
	<u>Investment in unquoted investments:</u>		
	Aggregate Book value	—	6.56
NOTE - 14	TRADE RECEIVABLES		
	a. Considered good - Secured	599.16	592.27
	b. Considered good - Unsecured	938.55	967.47
	c. Credit Impaired	24.10	30.83
		1,561.81	1,590.57
	Less : Allowances for bad and doubtful debts*	24.41	30.93
		1,537.40	1,559.64
	*includes adjustment on account of Expected Credit Loss of ₹ 0.31 crore (31.03.17 ₹ 0.10 crore).		
NOTE - 15	CASH AND CASH EQUIVALENT		
	a. Balances with banks		
	— In current accounts	606.35	919.25
	— Bank Deposits with original maturity upto 3 months	157.22	162.90
	b. Cheques and drafts on hand	2.33	56.12
	c. Cash on hand	1.61	7.71
	d. Escrow accounts*	113.02	114.97
		880.53	1,260.95
	Less: Current account balance held in trust for customers in respect of certain subsidiaries	—	6.21
		880.53	1,254.74
	*As security for payment of the secured obligation in accordance with Distribution Franchisee Agreement in respect of certain subsidiaries in the capacity of Distribution Franchisee.		
NOTE - 16	BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT		
	Unpaid Dividend Account	5.11	3.85
	Bank Deposits with original maturity more than 3 months	308.32	347.47
		313.43	351.32
	a. Amount lying in deposit accounts with banks as at 31st March, 2018 includes ₹ 229.50 crore (31.03.2017 : ₹ 213.50 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 ₹ 33.71 crore (31.03.2017 : ₹ 93.06 crore) having original maturity more than 12 months as on the reporting date.		

Notes forming Part of Consolidated Financial Statements (Contd.)

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
NOTE - 17	LOANS		
	Considered good - Unsecured		
	Security Deposits	14.62	25.40
	Loans to employees	0.64	0.65
		15.26	26.05
NOTE - 18	OTHER FINANCIAL ASSETS		
	Considered good - Unsecured		
	Interest accrued on Bank Deposits	14.40	21.52
	Derivative Asset	30.68	195.26
	Receivable towards claims and services rendered	19.12	45.18
	Advance against equity to related party	–	50.76
	Miscellaneous advances to Bodies Corporate	3.43	2.04
	Unbilled Receivable	–	152.07
	Others	6.79	12.39
		74.42	479.22
NOTE - 19	OTHER CURRENT ASSETS		
	Advance for goods and services	443.67	220.94
	Prepaid Expenses	19.35	40.87
	Others (includes deferred rent, advance to employees etc.)	45.26	148.49
		508.28	410.30
NOTE - 20	EQUITY		
a.	Authorised Share Capital		
	3,15,60,00,000 (31.03.2017: 15,00,00,000) Equity Shares of ₹ 10 each #	3,156.00	150.00
b.	Issued Capital		
	13,88,57,015 (31.03.2017 : 13,88,57,015) Equity Shares of ₹ 10/- each	138.86	138.86
c.	Subscribed and paid up capital		
	13,25,57,043 (31.03.2017 :13,25,57,043) Equity Shares of Rs 10/- each	132.56	132.56
d.	Forfeited Shares (amount originally paid up)	0.66	0.66
		133.22	133.22
	#Adjustment pursuant to Scheme of Arrangement (Refer Note 53)		
e.	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
		As at 31st March, 2018	As at 31st March, 2017
		No. of shares	No. of shares
		Amount	Amount
		(₹ Crore)	(₹ Crore)
	Balance at the beginning of the year	13,25,57,043	13,25,57,043
	Add : Share issued and allotted during the year	–	–
	Closing Balance	13,25,57,043	13,25,57,043
	For the period of five years immediately preceding 31 March,2018, no share was : - (i) allotted as fully paid up pursuant to any contract without payment being received in cash, (ii) allotted as fully paid up by way of bonus shares and (iii) bought back.		

Notes forming Part of Consolidated Financial Statements (Contd.)

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 ₹ 12/- per equity share has been paid during the year ended 31st March 2018. 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, 2018		As at 31st March, 2017	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited [refer note 57(a)]	5,87,96,632	44	5,87,96,632	44
HDFC Trustee Company Limited	1,19,30,021	9	1,19,30,021	9
ICICI Asset Management Company Limited	—	—	97,11,354	7

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
NOTE - 21	OTHER EQUITY		
A	a. Capital Redemption Reserve #	—	20.13
	b. Others		
	Securities Premium #	—	1,745.90
	Fund for unforeseen exigencies	244.17	228.24
	Effective portion of cash flow hedges #	—	60.32
	Foreign Currency Translation Reserve #	12.71	90.30
	Employee stock option reserve #	—	12.11
	FVTOCI Reserve	18.53	0.19
	Retained Earnings #	8,011.54	8,332.28
		8,286.95	10,489.47
	# Refer Note 53		

B Nature and purpose of other reserves

Capital Redemption Reserve has been created on redemption of Redeemable Preference shares in the earlier years. Securities Premium 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 will be invested as per the applicable regulations. Retained Earnings represents profit earned by the Company, net of appropriations till date and adjustments done on transition to Ind AS. FVTOCI reserve represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income. Effective portion of cash flow hedges represents the cumulative effective portion of gain/(losses) arising on changes in fair value of hedging instruments entered into for cashflow hedge. Foreign Currency Translation Reserve represents exchange difference relating to translation of Group's foreign operation from their functional currencies to Group's presentation currency. Employee stock option reserve is used to recognise the value of equity settled share based payments provided as part of the ESOP scheme.

Notes forming Part of Consolidated Financial Statements (Contd.)

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
NOTE - 22	NON CURRENT - BORROWINGS		
A.	Secured		
	Term Loans		
	(i) Rupee Term loans - from banks	9,893.48	9,620.16
	(ii) Rupee Term loans - from financial institutions	1,089.25	346.50
	(iii) Foreign Currency Loan - from banks	629.19	2,365.66
	(iv) Finance Lease obligations	—	9.31
		11,611.92	12,341.63
B.	Unsecured		
	(i) Rupee Term loans - from banks	735.00	900.00
	(ii) Rupee Term loans - from financial institutions	99.70	17.87
		834.70	917.87
	Total	12,446.62	13,259.50
	Less : Current maturities of long term borrowings (Including finance lease obligation 31.03.2018 : Rs 5.24 crore, 31.03.2017 : Rs 5.19 crore) transferred to Other Current Liabilities (refer note 28)	1,329.49	1,637.41
	Less : Unamortised Front end Fees	69.35	32.42
		11,047.78	11,589.67
C.	Nature of Security :		
1	(i) Out of the Term Loans in (A) above in respect of the Parent, ₹ 4053.08 crore (31.03.2017: ₹ 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 (refer note 5) as a first charge and as a second charge by hypothecation of the Parent's current assets comprising stock of stores, coal (refer note 12) and other consumables, book debts, monies receivable (refer note 14) and bank balances (refer note 15). However, creation of the said mortgage security in respect of one Rupee loan (31.03.2017 - five Rupee Loans) aggregating ₹ 30 crore (31.03.2017 - Rs 633.13 crore) is in process.		
	(ii) ₹ 203.44 crore (31.03.2017: ₹ 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, Rs. 3317.22 crore (31.03.2017: Rs. 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 and current of the subsidiary including its land, buildings, any other construction thereon where exists, plant and machinery etc (refer note 5) and loans of Rs 50 crore (31.03.2017: Nil) are secured with subservient charge on movable fixed assets of the subsidiary.		
3	(i) Out of the Term Loan in (A) above, Rs. 2699.19 crore (31.03.2017- Rs 2665.80 crore) in respect of another subsidiary are secured, with first charge by way of mortgage / hypothecation of subsidiary's fixed assets and current assets including its land, buildings and the construction thereon where exists, plant and machinery etc (refer note 5), loans amounting to Rs Nil (31.03.2017- Rs 195.90 crore) are secured with second charge on all assets of the subsidiary.		
	(ii) Out of the Term Loan in (A) above, loan of Rs. 431.82 crore (31.03.2017- Rs 455.00 crore) in respect of the above subsidiary are secured with subservient charge on all current and movable fixed assets of the subsidiary.		
4	In respect of one of the subsidiaries, the Term Loans of Rs. 625.81 crore (31.03.2017- Rs 597.21 crore) in (A) above are secured / to be secured by an exclusive charge by way of mortgage/hypothecation in respect of the fixed assets of the subsidiary including its land, building, construction thereon where exist, plant & machinery etc. (refer note 5) and by way of hypothecation of current assets of the subsidiary, with respect to the project for which the loan was availed. Creation of mortgage security as aforesaid on immovable fixed assets of the projects in Surendranagar (Gujarat), and Rojmal/Amreli (Gujarat) are currently under process.		
5	(i) Term loan of Rs 80.95 crore (31.03.2017- Rs 40.06 crore) in (A) above , in respect of certain subsidiaries, is secured by hypothecation of current assets of certain subsidiary including its stock of stores, coal (refer note 12) and other movable, book debts, monies receivables (refer note 14) and bank balances (refer note 15) and equitable mortgage / hypothecation of the subsidiary's fixed assets including its land, building and all constructions thereon and plant and machinery (refer note 5), both present and future with respect to the 40 MW AFBC Thermal Power project of the subsidiary near Asansol, West Bengal. The security mentioned above ranks pari passu inter se and with the security for overdraft working capital facilities from banks. However, creation of mortgage security for term loan facility of Rs 60 crore is in process.		

Notes forming Part of Consolidated Financial Statements (Contd.)

- (ii) Term loan of Rs 75.42 crore (31.03.2017- Rs 82.06 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.(refer note 5) and by way of hypothecation of current assets of including book debts, receivables,(refer note 14) projects related accounts, revenue of whatsoever nature and wherever arising (present and future) with respect to the 15MW Solar Power project at Ramanathapuram, Tamilnadu.
- 6 Out of the Term Loan in (A) above, Rs. 75.00 crore (31.03.2017- Nil) in respect of another subsidiary are secured by:
- First charge by way of hypothecation on pari passu basis over movable fixed assets of the subsidiary, both present and future (excluding those charged to JVVNL)
 - First charge by way of mortgage on pari passu basis over immovable fixed assets of the subsidiary, both present and future (excluding those charged to JVVNL)
- 7 (i) In respect of certain subsidiaries, out of foreign currency loans, in (A) above, loans amounting to Rs. 107.93 crore as on 31.03.2017 was secured against pari passu charge on all current assets, non-current assets and fixed assets of the subsidiary
- (ii) Term Loan of Rs 577.40 crore as on 31.03.2017 in (A) above, in respect of certain subsidiaries, was secured against pari passu charge on all current assets, non-current assets and fixed assets of certain subsidiaries and guarantee given by the subsidiary.
- (iii) Finance lease obligation amounting to Rs 9.31 Crore as on 31.03.2017 in (A) above, in respect of certain subsidiaries, was secured by way of hypothecation of underlying fixed assets taken on lease.
- 8 Out of the Term Loan in (A) above, Rs 171.78 crore as on 31.03.2017 in respect of one of the subsidiaries, was 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.

Major terms of repayment of Non Current Borrowings :

₹ in Crore

Maturity profile of Non Current Borrowings / finance lease obligations outstanding as at 31st March, 2018	Balance outstanding as on 31st March, 2018					
	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Finance Lease Obligations	Foreign Currency Loans	Total	Current Maturities
Residual maturity of upto one year	245.75	—	—	16.40	262.15	262.15
Residual maturity between 1 and 3 years	1,142.46	—	—	408.78	1,551.24	266.19
Residual maturity between 3 and 5 years	1,127.14	—	—	114.80	1,241.94	243.38
Residual maturity between 5 and 10 years	2,766.53	99.70	—	89.21	2,955.44	356.84
Residual maturity beyond 10 years	5,346.60	1,089.25	—	—	6,435.85	200.93
Total	10,628.48	1,188.95	—	629.19	12,446.62	1,329.49
Interest on Rupee Term Loan from Banks and Financial Institutions are based on spread over Lender's Benchmark rate and that of on Foreign Currency Loan based on spread over LIBOR.						
Long term borrowings included above are repayable in periodic instalments over the maturity period of the respective loans.						

₹ in Crore

Maturity profile of Non Current Borrowings / finance lease obligations outstanding as at 31st March, 2017	Balance outstanding as on 31st March, 2017					
	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Finance Lease Obligations	Foreign Currency Loans	Total	Current Maturities
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 of 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.						

Notes forming Part of Consolidated Financial Statements (Contd.)

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
NOTE - 23	OTHER NON CURRENT - FINANCIAL LIABILITIES		
	Security Deposit against contracting service	1.91	30.98
	Lease Obligation	6.41	6.58
		8.32	37.56
NOTE - 24	NON CURRENT - PROVISIONS		
	Provision for employee benefits	264.76	270.46
	Restoration liabilities	30.42	9.91
		295.18	280.37
	<u>Movement of Restoration Liabilities</u>		
	Opening balance	9.91	2.26
	Addition during the year	20.51	7.65
	Closing balance	30.42	9.91
The Parent has recognised present value of restoration liability of mine land at Sarisatolli Coal Mine based on applicable Guidelines on Mine Closure Plan and expected cost of removal of assets situated at various rented premises.			
NOTE - 25	OTHER NON CURRENT LIABILITIES		
	Advance from consumers	162.98	28.87
	Others (includes deferred revenue, unearned rent, liability provided towards claims etc)	25.79	27.24
		188.77	56.11
NOTE - 26	CURRENT - BORROWINGS		
A.	Secured		
	Loans repayable on demand		
	(i) Overdraft from banks	1,075.48	1,164.62
	(ii) Short term loan from banks	125.00	–
B.	Unsecured		
	Loans repayable on demand		
	(i) Export Finance from banks	–	61.93
	(ii) Overdraft from banks	–	145.75
	(iii) Short term loan from banks	–	100.00
	(iv) Commercial Paper [including from banks 31.03.2018: Nil; 31.03.2017: Rs 250 crores]	1,000.00	900.00
		2,200.48	2,372.30
C.	Nature of Security		
1	The overdraft facilities from bank in respect of the Parent amounting to Rs 692.93 crore (31.03.2017: Rs 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 (refer note 12) and other consumables, book debts, monies receivable (refer note 14) and bank balances (refer note 15) as a first charge and as a second charge by equitable mortgage/ hypothecation of the fixed assets of the Parent including its land, buildings and other constructions thereon where exists, plant and machinery etc (refer note 5). However, creation of the said mortgage security in respect of overdraft facilities from banks aggregating Rs Nil (31.03.2017: Rs 518.00 crore) is in process. (refer note 5)		
2	The overdraft facilities from banks in respect of one of the subsidiaries amounting to Rs 111.02 Crore (31.03.2017: Nil) in (A) (i) above, is secured with first charge by way of mortgage/hypothecation of the subsidiary's fixed and current assets including its land and buildings, the construction thereon where exists, plant and machinery etc (refer note 5) and loans amounting to Rs 89.65 crore (31.03.2017: Rs 92.83 crore) in (A) (i) above are secured by hypothecation of entire current assets and loan amounting to Rs 125 crore (31.03.2017: Nil) in (A) (ii) above are secured by second pari passu charge by hypothecation over entire current assets and movable fixed assets of the subsidiary.		
3	The overdraft facilities in respect of certain subsidiaries amounting to Rs 39.86 crore (31.03.2017: Rs 101.45 crore) in (A) (i) above, is secured by pari passu charge on movable and immovable fixed assets (refer note 5) of the subsidiary and charge over escrow account for routing of cash flows pertaining of 40 MW thermal power project of the subsidiary. However, creation of the said mortgage security in respect of working capital facility from banks aggregating Rs 39.86 crore is in process.		

Notes forming Part of Consolidated Financial Statements (Contd.)

- 4 The overdraft facilities in respect of one of the subsidiary amounting to Rs 49.59 crore (31.03.2017: Rs 0.03 crore) in (A) (i) above, is secured with first charge by way of mortgage / hypothecation of fixed assets and current assets of the subsidiary including its land, building, the construction thereon where exists, plant and machinery etc (refer note 5).
- 5 The overdraft facilities in respect of one of the subsidiary amounting to Rs 25.50 crore (31.03.2017: Rs 26.11 crore) in (A) (i) above, is secured by hypothecation over subsidiary's current and movable fixed assets of the subsidiary.
- 6 The overdraft facilities in respect of one of the subsidiary amounting to Rs 66.93 crore (31.03.2017: Rs 95.30 crore) in (A) (i) above, is secured by second charge on pari passu basis over subsidiary's current assets (both present and future).
- 7 (i) The overdraft facilities in respect of one of the subsidiary amounting to Nil (31.03.2017: Rs 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.
 (ii) The overdraft facilities in respect of one of the subsidiary amounting to Nil (31.03.2017: Rs 24.64 crore) in (A) (i) above, is secured by second charge on pari passu over subsidiary's current assets (both present and future).
- 8 The overdraft facilities from banks in respect of one of the subsidiaries amounting to Rs 16.00 Crore as on 31.03.2017 in (A) (i) above, was secured against margin money deposits.

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
NOTE - 27	TRADE PAYABLES		
a.	Total outstanding dues to micro enterprises and small enterprises	7.58	6.07
b.	Total outstanding dues of creditors other than micro enterprises and small enterprises	683.09	782.97
		690.67	789.04

- c. Rs 0.08 crore (31.03.2017- Nil) , Nil (31.03.2017 - Nil) , Rs 0.52 crore (31.03.2017- Rs 0.11 crore) Rs 1.39 crore (31.03.2017- Rs 0.87 crore) and Nil (31.03.2017 - Nil) representing interest due on amount outstanding as at the year end, interest paid along with amount of payment made beyond the appointed day, interest due and payable for the period of delay in making payment during the year, amount of interest accrued and remaining unpaid at the year end and amount of further interest remaining due and payable in the succeeding years, respectively due to Micro and Small Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act , 2006 on information available with the Company.

NOTE - 28	OTHER FINANCIAL LIABILITIES		
a.	Current maturities of long-term debt	1,329.49	1,632.22
b.	Current maturities of finance lease obligations	–	5.19
c.	Interest accrued but not due on borrowings	13.67	31.66
d.	Unclaimed dividends	5.11	3.85
e.	Book Overdraft in current account	–	48.95
f.	Others (refer note g)	660.42	562.07
		2,008.69	2,283.94

- g. Others include current portion of consumer security deposit (including accrued interest thereon) , employee related liability, liabilities on capital account, liabilities towards contractual obligations, etc.

NOTE - 29	OTHER CURRENT LIABILITIES		
a.	Liabilities towards statutory taxes and duties	374.16	366.05
b.	Advance from Customers	30.29	10.59
c.	Receipt from consumers for capital jobs	124.20	108.37
d.	Others (includes employee benefit liabilities, etc.)	78.37	159.18
		607.02	644.19

Notes forming Part of Consolidated Financial Statements (Contd.)

		₹ in Crore	
		As at 31st March, 2018	As at 31st March, 2017
NOTE - 30	CURRENT PROVISIONS		
a.	Provision for employee benefits	88.08	81.41
b.	Provision for Claims on Lease Properties [refer Note below]	0.22	11.37
c.	Provision for Tax Disputes	–	2.68
		88.30	95.46

Claims on Lease Properties

The movement in provision for claims on lease properties has arisen pursuant to a special leave petition before the Hon'ble Supreme Court of India in respect of Service Tax on lease rentals.

Movement of provision for Claims on Lease Properties

Opening balance	11.37	11.13
Add: Provision created during the year	–	1.37
Less: Provision adjusted during the year (Refer note 53)	11.15	1.13
Closing balance	0.22	11.37

NOTE - 31 REGULATORY DEFERRAL ACCOUNT BALANCES

Regulatory deferral account balances-credit balances	2,111.60	2,359.83
Regulatory deferral account balances-debit balances	3,566.81	3,653.42
(Refer Note 41 for details)		

NOTE - 32 CONTINGENT LIABILITIES AND COMMITMENTS

a. Claims against the group not acknowledged as debts :

The West Bengal Taxation Tribunal had held meter rentals received by the parent from consumers to be deemed sales under the provisions of the Bengal Finance (SalesTax) Act, 1941 and that sales tax was payable on such rentals. Based on such findings the Commercial Taxes Directorate assessed Rs 0.69 crore as sales tax on meter rentals received during the year ended 31st March, 1993 and raised a demand of Rs 0.36 crore on account of interest. Against the above demand, the Company had deposited a sum of Rs 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 year till disposal of the appeal. An interim order has been issued by the High Court permitting the sales tax authorities to carry out assessments but restraining them from serving any assessment order on the Company. The disposal of the case is still pending.

- b. An Appeal under the Electricity Act, 2003 has been filed before the Hon'ble Appellate Tribunal for Electricity (APTEL) by two Appellants against the Hon'ble Uttar Pradesh Electricity Regulatory Commission's Order dated April 20, 2016, wherein the Hon'ble UPERC has approved the Power Purchase Agreement between one of the subsidiary and Noida Power Company Limited for supply of 170 MW power for a period of 25 years. Filing of pleadings are complete and the matter is likely to be listed before APTEL and such financial impact, if any, cannot be ascertained at this stage.

c. Other matters for which the Group is contingently liable :

		₹ in Crore	
Particulars		31st March, 2018	31st March, 2017
– Income Tax (refer Note below)		108.01	248.51
– Sales tax demands under appeal		–	9.33
– Service tax demands under appeal		–	22.75
– Claim against the Group not acknowledged as debt		–	12.24
– Entry Tax		–	22.96
– Bank Guarantees		319.01	417.01
– Letters of credit		247.81	172.76
– Guarantees given to the Government of India, Customs and Central excise department in relation to duty securities.		–	1.80

Notes forming Part of Consolidated Financial Statements (Contd.)

Note :

Income Tax demands under appeal, pending in different forums, in respect of which the subsidiaries / associate do not expect any unfavourable outcome.

- d. Commitments of the Company on account of estimated amount of contracts remaining to be executed on capital account not provided for amounting to ₹ 325.29 crore (31.03.2017: ₹ 151.18 crore).
- e. The Ministry of Coal had encashed the bank guarantee of the Parent amounting to ₹ 66.15 crore in April 2018, in terms of its letter dated 25.04.2018, alleging non-compliance with the mining plan for the years 2015-16 and 2016-17 as per the CMDPA. Further, in terms of the above letter, the Ministry had directed the Company to top-up the bank guarantee with the aforesaid encashed amount. The Hon'ble High Court of Delhi while disposing of the petition filed by the Company against the Ministry's letter dated 25.04.2018, stayed the operation of this letter and further directed the Company to approach the Tribunal. Company has accordingly filed a petition before the Special Tribunal at Godda, Jharkhand challenging the letter dated 25.04.2018 and further seeking refund of the encashed amount. Based on a legal opinion, the Company expects a favourable outcome in the matter, and no provision has been considered necessary in the books of account.
- f. Commitment relating to leasing arrangement , refer note 5 and 44

		₹ in Crore	
		2017-18	2016-17
NOTE - 33 REVENUE FROM OPERATIONS			
a.	Earnings from sale of electricity	9,959.97	8,007.05
b.	Other Operating Revenue		
	Revenue from sponsorship etc.	35.57	51.13
	Meter Rent	55.74	53.66
	Contribution from Consumers	116.15	130.21
	Earnings from sale of traded goods	13.09	—
	Others	94.34	121.31
		10,274.86	8,363.36

- c. Earnings from sale of electricity in respect of the parent and one of the subsidiary company 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 ₹ 87.85 crore (previous year : ₹ 82.86 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.

		₹ in Crore	
		2017-18	2016-17
NOTE - 34 OTHER INCOME			
a	Interest Income	31.74	33.74
b	Gain on sale / fair valuation of current investments (net)	53.71	51.17
c	Profit on sale of property, plant and equipment (net)	1.53	—
d	Other Non-operating Income *	165.03	145.06
		252.01	229.97

* includes foreign exchange gains/(loss), delayed payment surcharge, usance fee, liabilities written back etc.

NOTE - 35 COST OF FUEL FOR POWER BUSINESS

- a. Cost of Fuel includes freight ₹ 849.46 crore (previous year : ₹ 374.95 crore)
- b. Cost of Fuel net off gain of ₹ 1.03 crore (previous year: gain of ₹ 2.22 crore) due to exchange fluctuations.
- c. Consumption of fuel :

Particulars	UOM	2017-18	2016-17
(a) Consumption of coal			
Quantity	Tonnes	88,06,299	78,34,182
Value	₹ in crore	2873.68	2,509.97
(b) Consumption of oil			
Quantity	Kilolitres	3,719	3637
Value	₹ in crore	16.95	16.76

Notes forming Part of Consolidated Financial Statements (Contd.)

	₹ in Crore	
	2017-18	2016-17
NOTE - 36 COST OF MATERIALS CONSUMED FOR RETAIL BUSINESS		
Opening Stock of Raw Material	1.02	0.39
Add : Purchases	–	7.49
Less : Transferred pursuant to Scheme of Arrangement (refer note 53)	1.02	–
Less : Closing stock of Raw Material	–	1.02
	–	6.86
NOTE - 37 EMPLOYEE BENEFITS EXPENSE		
a Salaries, wages and bonus	973.29	953.12
b Contribution to provident and other funds	127.14	81.24
c Employees' welfare expenses	51.57	50.75
	1152.00	1,085.11
Less : Transfer to PPE / CWIP etc.	160.07	161.00
	991.93	924.11
Less : Transfer to Other Comprehensive Income*	21.70	51.34
	970.23	872.77

*As per Ind AS 19, Actuarial gain or loss on post retirement defined benefit Plan has been recognised in Other Comprehensive Income.

(i) **Defined Contribution Plans**

The group make contribution for Provident Fund towards defined contribution retirement benefit plan for eligible employees. Under the plan, the company is required to contribute a specific percentage of the employees' salaries to fund the benefit. The Parent company also contributes for family pension schemes (including for superannuation).

During the year, based on applicable rates, the company has recognised Rs. 60.43 crore (previous year: Rs. 84.71 crore) on this account in the Statement of Profit and Loss.

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

₹ in Crore

Gratuity (Funded)	2017-18			2016-17		
	Present value of obligation	Fair value of plan assets	Total amount	Present value of obligation	Fair value of plan assets	Total amount
Opening Balance	390.42	(326.56)	63.86	338.90	(284.19)	54.71
Current service cost	19.99	–	19.99	21.79	–	21.79
Interest expense/(income)	25.34	(24.92)	0.42	24.84	(20.95)	3.89
Past service cost	39.73	–	39.73	0.16	–	0.16
Less: Amount recognised in statement of profit and loss-Discontinued operations	16.20	(2.15)	14.05	–	–	–
Total amount recognised in profit and loss-Continuing operations	68.86	(22.77)	46.09	46.79	(20.95)	25.84
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	–	(1.60)	(1.60)	–	(6.36)	(6.36)
(Gain)/loss from change in demographic assumptions	–	–	–	0.01	–	0.01
(Gain)/loss from change in financial assumptions	16.63	–	16.63	19.96	–	19.96
Experience (gains)/losses	(9.25)	0.01	(9.24)	15.45	0.02	15.47
Total amount recognised in other comprehensive income - Continuing operations	7.38	(1.59)	5.79	35.42	(6.34)	29.08
Employer contributions	–	(49.87)	(49.87)	–	(45.77)	(45.77)
Benefit payments	(39.45)	39.47	0.02	(30.69)	30.69	–
Closing Balance	427.21	(361.32)	65.89	390.42	(326.56)	63.86

Notes forming Part of Consolidated Financial Statements (Contd.)

₹ in Crore

Leave Obligation (Unfunded)	2017-18	2016-17
	Present value of obligation	Present value of obligation
Opening Balance	147.29	121.64
Current service cost	9.60	10.42
Interest expense/(income)	9.88	9.43
Past service cost	0.02	0.04
<i>Remeasurements</i>		
(Gain)/loss from change in financial assumptions	10.73	—
Experience (gains)/losses	(10.61)	—
Less: Amount recognised in statement of profit and loss-Discontinued operations	1.86	—
Total amount recognised in profit and loss-Continuing operations	17.76	19.89
(Gain)/loss from change in financial assumptions	—	6.83
Experience (gains)/losses	—	6.85
Total amount recognised in other comprehensive income - Continuing operations	—	13.68
Employer contributions	—	—
Benefit payments	(14.40)	(7.92)
Closing Balance	150.65	147.29

	Post retirement medical benefit		Pension	
	2017-18	2016-17	2017-18	2016-17
Opening balance	64.67	50.49	44.01	31.27
Current service cost	2.32	2.89	0.25	0.25
Interest expense/(income)	4.45	3.91	3.12	2.42
Past Service Cost	—	6.04	11.65	10.13
Less : Amount recognised in statement of profit and loss-Discontinued operations	0.90	—	0.20	—
Total amount recognised in profit or loss	5.87	12.84	14.82	12.80
<i>Remeasurements</i>				
(Gain)/loss from change in financial assumptions	(4.42)	4.75	(4.96)	1.97
Experience (gains)/losses	14.87	(1.26)	10.42	3.12
Total amount recognised in other comprehensive income - Continuing operations	10.45	3.49	5.46	5.09
Employer contributions	—	—	—	—
Benefit payments	(3.13)	(2.15)	(5.85)	(5.15)
Closing Balance	77.86	64.67	58.43	44.01

No additional liability has been recognised by the Parent company as interest rate announced by PF trust is higher than the statutory rate announced by Employee Provident Fund Organization.

Expected remaining life for PF interest guarantee for the Parent company was 7.63 years in 2017-18 against 7.79 years in 2016-17.

Notes forming Part of Consolidated Financial Statements (Contd.)

₹ in Crore

(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-18					
Defined benefit obligation (gratuity)	63.73	195.04	208.67	248.67	716.11
Leave obligation	19.38	57.91	64.33	168.63	310.25
Post-employment medical benefits	2.73	15.74	28.33	229.54	276.34
Pension	6.57	30.75	34.08	68.32	139.72
Total	92.41	299.44	335.41	715.16	1,442.42
31-Mar-17					
Defined benefit obligation (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
Total	70.93	271.44	296.00	665.47	1,303.84

(iv) Sensitivity Analysis

	Gratuity		Leave Obligation		Post-employment medical benefits		Pension		Interest rate guarantee on provident fund	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
DBO at 31st March with discount rate +1%	400.57	362.85	141.12	155.24	70.29	57.61	54.69	41.05	-	-
Corresponding service cost	8.83	18.34	4.11	26.66	1.01	2.12	0.12	0.22	-	-
DBO at 31st March with discount rate -1%	449.57	411.79	163.43	182.12	87.14	73.45	62.68	47.38	-	-
Corresponding service cost	10.27	21.87	5.03	33.36	1.55	3.33	0.12	0.28	-	-
DBO at 31st March with +1% salary/benefit escalation	440.28	405.52	166.48	185.46	85.50	68.88	-	-	-	-
Corresponding service cost	9.98	21.53	5.16	33.60	1.57	3.05	-	-	-	-
DBO at 31st March with -1% salary/benefit escalation	403.19	364.85	138.87	152.31	71.48	60.88	-	-	-	-
Corresponding service cost	8.93	18.42	4.02	26.42	1.04	2.35	-	-	-	-
DBO at 31st March with +50% withdrawal rate	423.47	386.48	151.05	168.02	77.38	64.27	-	-	-	-
Corresponding service cost	9.69	20.01	4.55	29.81	1.22	2.58	-	-	-	-
DBO at 31st March with -50% withdrawal rate	422.36	385.19	150.31	167.38	78.38	65.10	-	-	-	-
Corresponding service cost	9.63	19.92	4.51	29.57	1.26	2.94	-	-	-	-
DBO at 31st March with +10% mortality rate	423.22	386.19	150.91	167.82	76.46	63.55	56.75	42.69	-	-
Corresponding service cost	9.67	19.99	4.54	29.72	1.21	2.58	0.12	0.24	-	-
DBO at 31st March with -10% mortality rate	422.62	385.49	150.46	167.58	79.40	65.90	60.27	45.46	-	-
Corresponding service cost	9.64	19.94	4.52	29.66	1.27	2.95	0.12	0.25	-	-
Int guarantee Liability 31st March with discount rate +1%	-	-	-	-	-	-	-	-	2.77	-
Int guarantee Liability 31st March with discount rate -1%	-	-	-	-	-	-	-	-	2.97	42.72
Int guarantee Liability 31st March with EPFO rate +0.5%	-	-	-	-	-	-	-	-	39.76	19.47
Int guarantee Liability 31st March with portfolio rate -0.5%	-	-	-	-	-	-	-	-	-	19.47

Notes forming Part of Consolidated Financial Statements (Contd.)

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

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

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

₹ in Crore

	31-Mar-18	31-Mar-17
Gratuity		
Approved Fund	358.01	323.04
thereof non-quoted market price	358.01	323.04

(vi) **Actuarial assumptions**

31-Mar-18					
Particulars	Gratuity	Leave obligation	Medical	Pension	Interest guarantee
Discount rate current year (%)	7.16-7.71%	7.16-7.71%	7.60%	7.60%	7.60%
Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Indian Assured Lives Mortality (2006-08) ultimate

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

Notes forming Part of Consolidated Financial Statements (Contd.)

	₹ in Crore	
Duration	2017-18	2016-17
Employees Gratuity Fund	11.30	7.55
Executive Gratuity Fund	6.72	6.77
Leave Encashment	8.84	7.63
PRMB - Non Cov	12.00	10.33
PRMB - Cov	13.67	13.78
Pension	16.26	12.76

Expected contributions to be paid for next year for gratuity for 2017-18 - ₹ 94.12 cr (2016-17-₹ 69.85 cr.)

Expected contributions to be paid for next year for leave obligation, medical & pension is nil.

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

	2017-18	2016-17
Actual return on plan assets (₹ cr.)	24.79	27.11

(viii) **Risk exposure**

Discount Rate risk : Decrease in discount rate will increase the value of the liability. However, this will partially offset by the increase in the value of plan assets.

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). 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.

	₹ in Crore	
	2017-18	2016-17
NOTE - 38 FINANCE COSTS		
a) Interest expense	1,279.91	1,344.38
b) Other Borrowing Costs	39.14	45.02
c) Applicable net loss on foreign currency transactions and translation	0.79	2.74
	1,319.84	1,392.14
Less : Transfer to PPE/ CWIP etc.	16.88	19.78
	1,302.96	1,372.36

Weighted average capitalisation rate used is 8.77 % (previous year 8.66%).

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 - 39 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation / amortisation of tangible assets	1,043.01	1,016.79
Amortisation of intangible assets	14.71	16.40
	1,057.72	1,033.19
Less : Recoupment from Retained Earnings (refer note 51)	306.25	318.41
	751.47	714.78

Notes forming Part of Consolidated Financial Statements (Contd.)

		₹ in Crore	
		2017-18	2016-17
NOTE - 40	OTHER EXPENSES		
a	Power and Fuel	3.63	15.02
b	Consumption of stores and spares	282.62	270.43
c	Repairs		
	Building	16.91	26.42
	Plant and Machinery	147.15	141.11
	Distribution System	152.85	138.02
	Others	11.09	9.85
		328.00	315.40
d	Insurance	31.22	22.15
e	Rent	29.22	32.04
f	Rates and taxes	19.97	12.77
g	Bad debts / Advances made	35.97	18.51
h	Loss on sale / disposal of assets (net)	0.01	4.83
i	Provision for Bad Debts	17.67	-
j	Interest on Consumers' Security Deposits	108.01	109.89
k	Foreign Exchange Restatement loss / (gain)	(30.88)	(68.16)
l	Corporate social responsibility activities	25.04	20.99
m	Mark to Market loss / (gain) on derivatives	115.45	94.30
n	Miscellaneous expenses*	675.08	552.04
		1,641.01	1,400.21
	Less : transfer to PPE / CWIP etc.	174.40	160.00
		1,466.61	1,240.21

*includes donation of Rs 31.50 crore for political purposes (previous year : Rs 9.50 crore)

NOTE - 41 REGULATORY (INCOME) / EXPENSES - NET

- a. Regulatory (Income) / Expenses arise to the Parent pursuant to the regulatory provisions applicable to the Parent under the provisions of the Electricity Act, 2003 and regulations framed thereunder and disposals made by WBERC on the Parent's various petitions / applications, in terms of the said regulations, at different timeframe including the tariff and APR orders for the years notified till date. The effect of adjustments - (income) / expenses, relating to (a) advance against depreciation, (b) cost of electrical energy purchased, fuel related costs including effect of balance sum relating to additional levy and those having bearing on revenue account, as appropriate, based on the Company's understanding of the applicable available regulatory provisions and available orders of the competent authorities, and (c) effect of exchange fluctuation including MTM gain, amounting to ₹ 198 crore (Previous year ₹ 73.38 crore), (₹ 414.75 crore) [Previous year (₹ 252 crore)] and ₹ 7.51 crore [(Previous year (₹ 11.61 crore)] respectively have been shown as Regulatory (Income) / Expenses with corresponding sums, reflected in Balance-sheet as Regulatory Deferral Account Balance (see Note 31).

Regulatory deferral account debit balance comprise the effect of (a) tax, (b) exchange fluctuation amounting to ₹ 3,487.21 crore (31.03.2017 : ₹ 3,554.76 crore) and ₹ 34.33 crore (31.03.2017 : ₹ 65.21 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 ₹ 1281.07 crore (31.03.2017 : ₹ 1,083.07 crore), ₹ 533.77 crore (31.03.2017 : ₹ 1,064.96 crore) and ₹ 21.15 crore (31.03.2017 : ₹ 44.52 crore) respectively.

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

Notes forming Part of Consolidated Financial Statements (Contd.)

- b. Regulatory (Income) / Expenses arise to one of the subsidiary pursuant to the regulatory provisions applicable to the subsidiary under the provisions of the Electricity Act, 2003 and regulations framed thereunder and disposals made by WBERC on the subsidiary's various petitions / applications, in terms of the said regulations, at different timeframe. The effect of adjustments - (income)/expenses, relating to (a) advance against depreciation, (b) effect of exchange fluctuation including MTM gain, amounting to ₹ 137.81 crore (Previous year ₹ 137.81 crore), and ₹ 3.98 crore [Previous year ₹ 6.81 crore] respectively have been shown as Regulatory (Income)/Expenses with corresponding sums, reflected in Balance-sheet as Regulatory Deferral Account Balance (see Note 31).

Regulatory deferral account debit balance comprise the effect of (a) exchange fluctuation (b) deferred tax amounting to ₹ Nil (31.03.2017 : ₹ 33.45 crore), ₹ 45.27 crore (31.03.2017 : Nil) respectively and that relating to credit balance comprise the effect of (a) advance against depreciation, (b) MTM Gain amount to ₹ 275.61 crore (31.03.2017 : ₹ 137.81 crore) and ₹ Nil (31.03.2017 : ₹ 29.47 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.

NOTE - 42 Non Controlling Interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

₹ in crore

Summarised Balance Sheet	Crescent Power Limited (Consolidated)		Au Bon Pain Café India Limited		Firstsource Solutions Limited (Consolidated)#	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Non Current assets	488.00	290.59	0.01	17.28	—	2,736.78
Current assets	107.05	193.46	4.76	4.11	—	782.52
Total Assets	595.05	484.05	4.77	21.39	—	3,519.30
Non current liabilities	266.70	144.58	—	0.38	—	674.15
Current liabilities	113.27	146.77	2.27	5.10	—	815.97
Total Liabilities	379.97	291.35	2.27	5.48	—	1,490.12
Net Assets	215.08	192.69	2.50	15.91	—	2,029.18
Accumulated Non Controlling Interest	69.22	62.18	0.17	(3.92)	—	1,151.79

Summarised Statement of Profit and Loss	Crescent Power Limited (Consolidated)		Au Bon Pain Café India Limited		Firstsource Solutions Limited (Consolidated)	
	2017-18	2016-17	2017-18	2016-17	1 Apr 17 to 30 Sep 17 #	2016-17
Revenue	251.74	221.44	6.96	16.15	1,756.09	3,558.82
Profit / (Loss) after tax	6.33	(13.73)	(21.25)	(21.07)	134.16	279.24
Profit after Tax (PAT) from continuing operations	6.33	(13.73)	(21.25)	(21.07)	—	—
Profit after Tax (PAT) from discontinued operations	—	—	—	—	134.16	279.24
Total Other Comprehensive Income for the year, net of tax	16.07	(0.13)	—	(0.01)	(4.14)	(48.01)
Total Comprehensive Income for the year	22.40	(13.86)	(21.25)	(21.08)	130.02	231.23
Profits attributable to NCI of discontinued operation	—	—	—	—	60.18	104.28
Profits allocated to NCI	7.21	(4.46)	(1.47)	(1.78)	—	—

Summarised Cash Flows	Crescent Power Limited (Consolidated)		Au Bon Pain Café India Limited		Firstsource Solutions Limited (Consolidated)	
	2017-18	2016-17	2017-18	2016-17	1 Apr 17 to 30 Sep 17 #	2016-17
Cash flow from Operating Activities	63.28	(0.81)	(9.22)	(15.16)	42.11	198.13
Cash Flow from Investing Activities	(133.82)	(55.16)	0.91	(5.92)	55.08	(231.49)
Cash Flow from Financing Activities	49.90	59.81	7.85	21.10	(87.18)	3.51
Net Increase/Decrease in Cash and cash Equivalents	(20.64)	3.84	(0.46)	0.02	10.01	(29.85)

Refer Note 53

Notes forming Part of Consolidated Financial Statements (contd.)

NOTE - 43 Business Segments Information (₹ in Crore)

	Power		Others		Retail		Property		Process Outsourcing		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Segment Revenue :												
Continuing operations	10,198.30	8,312.23	76.56	51.13	1,100.70	1,976.04	51.11	88.65	1,756.09	3,554.72	10,274.86	8,363.36
Discontinued operations											2,907.90	5,619.41
Total Segment Revenue	10,198.30	8,312.23	76.56	51.13	1,100.70	1,976.04	51.11	88.65	1,756.09	3,554.72	13,182.76	13,982.77
Segment Result Before Depreciation, Interest, and OCI :												
Continuing operations	3,198.99	2,982.31	(33.30)	(52.75)							3,165.69	2,929.56
Depreciation (including amortisation of intangible assets)	751.47	714.78									751.47	714.78
Segment Result Before Interest and Tax	2,447.52	2,267.53	(33.30)	(52.75)							2,414.22	2,214.78
Less: Unallocated Finance cost											1,302.96	1,372.36
Add : Unallocated - Income											85.45	84.91
Add : Share in net Profit of associate											49.73	48.39
Profit before tax and Minority Interest											1,246.44	975.72
Profit/(loss) before tax and Minority Interest from discontinued operation											107.30	214.76
Provision for taxation											378.49	380.29
Profit after Taxation before Minority Interest											975.25	810.19
Other Comprehensive Income / (expense) (Net)											1.42	(86.15)
Segment Assets	32,435.73	33,146.34	22.99	46.36		557.01		497.76		1,190.94	32,458.72	35,438.41
Unallocated Assets											528.66	2,434.26
Total Assets											32,987.38	37,872.67
Segment Liabilities	6,148.45	5,715.98	(0.98)	110.62		336.41		60.02		282.60	6,147.47	6,505.63
Unallocated Liability											18,350.35	19,534.30
Total Liabilities											24,497.82	26,039.93

Note:

Unallocated Assets comprise of goodwill, investments, deferred tax asset and current tax asset.

Unallocated Liabilities comprise of borrowings, deferred tax liabilities and current tax liabilities.

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.

Geographical Segments :

Post restructuring the Group primarily operates in India and has all significant assets in India. No disclosure given for geographical segment as it is not material for CODM.

Notes forming Part of Consolidated Financial Statements (contd.)

NOTE - 44 Leases

- (a) 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 ₹ 0.39 crore (as on 31.03.2017 : ₹ 2.39 crore) and ₹ 1.29 crore (as on 31.03.2017 : ₹ 3.01 crore) during next one year and thereafter till five years respectively. There are no restrictions in respect of such leases.
- (b) Future minimum lease obligation payable on leasehold land during next one year ₹ 0.83 crores (as on 31.03.2017: ₹ 0.83 crores) later than one year but not later than five years ₹ 2.64 crore (as on 31.03.2017 : ₹ 2.64 crores) and later than five years ₹ 3.45 crore (as on 31.03.2017: ₹ 3.66 crores).
- (c) Certain subsidiaries have taken retail stores, office facilities on operating lease and lease rent of ₹ 81.92 crores (31.03.2017: ₹ 224.35 crores) is recognised.

NOTE-45 The major components of net Deferred Tax Assets / (Liabilities) based on the timing difference as at 31st March, 2018 are as under :

₹ in Crore

Deferred Tax Liabilities	April 1, 2017	Recognised through P&L	Recognised through OCI	Others	Transferred Pursuant to Scheme #	March 31, 2018
Liabilities						
Excess of tax depreciation over book depreciation	(3,901.15)	(768.26)	–	56.96	265.86	(4,346.59)
Financial Instruments at Fair Value through OCI	–	–	(8.36)	–	–	(8.36)
Other Timing difference	(65.30)	1.94	–	–	34.03	(29.33)
Assets						
Business loss and Unabsorbed depreciation	33.78	648.54	–	–	–	682.32
On Business Combination	–	–	–	–	–	–
Other Timing Differences	45.39	15.59	–	–	–	60.98
Net Deferred Tax Liability	(3,887.28)	(102.19)	(8.36)	56.96	299.89	(3,640.98)

Deferred Tax Assets	April 1, 2017	Recognised through P&L	Recognised through OCI	Others	Transferred Pursuant to Scheme #	March 31, 2018
Assets						
Business loss and Unabsorbed depreciation	264.29	–	–	–	(264.29)	–
Cash Flow Hedges	(34.62)	–	–	–	34.62	–
Other Timing Differences	177.93	(0.02)	–	–	(176.79)	1.12
Net Deferred Tax Assets	407.60	(0.02)	–	–	(406.46)	1.12

₹ in Crore

Deferred Tax Liabilities	April 1, 2016	Recognised through P&L	Recognised through OCI	Others	March 31, 2017
Excess of tax depreciation over book depreciation	(3,799.45)	(120.51)	–	18.81	(3,901.15)
Other Timing difference	(78.42)	12.93	–	0.19	(65.30)
Assets					
Business loss and Unabsorbed depreciation	0.64	33.14	–	–	33.78
Other Timing Differences	46.57	(1.18)	–	–	45.39
Net Deferred Tax Liability	(3,830.66)	(75.62)	–	19.00	(3,887.28)

Deferred Tax Assets	April 1, 2016	Recognised through P&L	Recognised through OCI	Others	March 31, 2017
Assets					
Business loss and Unabsorbed depreciation	216.77	47.81	–	(0.29)	264.29
Cash Flow Hedges	–	(34.62)	–	–	(34.62)
Other Timing Differences	154.00	23.93	–	–	177.93
Net Deferred Tax Assets	370.77	37.12	–	(0.29)	407.60

refer note 53

Notes forming Part of Consolidated Financial Statements (contd.)

NOTE - 46 Earnings per share:

(i) Computation of Earnings per share from continuing operations

Particulars	2017-18	2016-17
A. Profit after tax attributable to owners of the equity (₹ in Crore)	888.19	659.16
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)] (₹)	67.01	49.73

Computation of Earnings per share from discontinued operations

Particulars	2017-18	2016-17
A. Profit after tax attributable to owners of the equity (₹ in Crore)	24.42	31.69
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)] (₹)	1.84	2.39

Computation of Earnings per share from continuing and discontinued operations

Particulars	2017-18	2016-17
A. Profit after tax attributable to owners of the equity (₹ in Crore)	912.60	690.84
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)] (₹)	68.85	52.12

(ii) Computation of Earnings per share from continuing operations - excluding regulatory (income)/ expense (net)

Particulars	2017-18	2016-17
A. Profit after tax attributable to owners of the equity (₹ in Crore)	835.59	623.39
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)] (₹)	63.04	47.03

Computation of Earnings per share from discontinued operations - excluding regulatory (income)/ expense (net)

Particulars	2017-18	2016-17
A. Profit after tax attributable to owners of the equity (₹ in Crore)	24.42	31.69
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)] (₹)	1.84	2.39

Computation of Earnings per share from continuing and discontinued operations - excluding regulatory (income)/ expense (net)

Particulars	2017-18	2016-17
A. Profit after tax attributable to owners of the equity (₹ in Crore)	860.02	655.08
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)] (₹)	64.88	49.42

NOTE - 47 INCOME TAX EXPENSE

a. i) Income tax recognised in profit or loss

₹ in Crore

	March 31, 2018	March 31, 2017
Current tax expense		
Continuing Operation	343.84	331.24
Discontinuing Operation	22.27	59.30
Deferred tax expense		
Deferred tax-(Income) / expense	(102.21)	38.50
Regulatory (Income) / expense -deferred tax	114.59	(48.75)
Total income tax expense	378.49	380.29

Notes forming Part of Consolidated Financial Statements (contd.)

ii) Income tax recognised in Other Comprehensive Income (OCI)

₹ in Crore

	March 31, 2018	March 31, 2017
Current tax expense		
Remeasurement of defined benefit plan	(4.78)	(10.78)
Deferred tax expense		
Deferred tax on Gain on fair value of Investment	8.36	–
Regulatory (Income) / expense -deferred tax	(1.76)	–
Total income tax expense relating to OCI items	1.82	(10.78)

b. Reconciliation of tax expense and accounting profit

	March 31, 2018	March 31, 2017
Accounting profit before tax after Comprehensive Income	1,356.98	1,093.54
Tax using the Company's domestic tax rate (Current year 34.608% and Previous Year 34.608%)	469.62	378.45
Tax effect Due to Non Taxable in India	–	(38.27)
Income / expenses not considered for tax purpose including difference in depreciation	(195.31)	(263.49)
Incentive & deduction allowed under Income Tax	(32.67)	(37.79)
MAT Adjustments	(11.56)	73.97
Other adjustments	150.23	256.64
INCOME TAX EXPENSE	380.31	369.51

NOTE - 48 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT :

The regulated operations of generation and distribution of electricity are governed by the provisions of the Electricity Act 2003 and Regulations framed thereunder by the West Bengal Electricity Regulatory Commission and accordingly the parent, being a licensee under the said statute, is subject to regulatory provisions/guidelines and issues evolving therefrom, having a bearing on the Company's liquidity, earning, expenditure and profitability, based on efficiency parameters provided therein including timing of disposal of applications / matters by the authority.

The Parent being the sole provider of electricity in the licenced area has been managing the operations keeping in view its profitability and liquidity in terms of above regulations. In order to manage credit risk arising from sale of electricity, multipronged approach is followed like maintenance of security deposit, precipitation of action against defaulting consumers, obtaining support of the administrative authority. Credit risk towards Investment of surplus funds is managed by obtaining support of credit rating and appraisal by external agencies and lending bodies.

The 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 manages its liquidity risk on financial liabilities by maintaining healthy working capital and liquid fund position keeping in view the maturity profile of its borrowings and other liabilities as disclosed in the respective notes.

The Group market risk relating to variation of foreign currency, interest rate and commodity price is mitigated through applicable regulation.

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

NOTE - 49 The Group has a process annually all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the group 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 accounts.

Notes forming Part of Consolidated Financial Statements (contd.)

NOTE - 50 Employee Stock Option Plans

Certain subsidiaries of the company have following stock option plans. These subsidiaries ceases to be subsidiary pursuant to the Scheme of Arrangement (refer note 53)

Employee stock option Scheme 2003 ('Scheme 2003')

The Employee Stock Option Scheme 2003 ('the Scheme') approved by the Board of Directors and the members of the Company and administered by the Nomination and Remuneration Committee ('the Committee') is effective October 11, 2003. The key terms and conditions included in the scheme are in line with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended by SEBI (shared based employee benefits) Regulations, 2014). As per the Scheme, the Committee issued stock options to the identified employees at an exercise price equal to the fair value on the date of grant and there stock options would vest in tranches over a period of four years as stated below and shall be exercised within a period of ten years from the date of the grant of the options.

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

Employee stock option activity under Scheme 2003 is as follows :

Description	Exercise Range	30th September 2017	
		Shares arising out of options	Weighted Average period in months
Outstanding at the beginning of the year	00.00 - 30.00	1,06,52,500	66.81
	30.01 - 60.00	79,77,687	69.71
	60.01 - 90.00	6,40,000	5.43
		1,92,70,187	
Granted during the year	00.00 - 30.00	—	
	30.01 - 60.00	30,00,000	
	60.01 - 90.00	—	
		30,00,000	
Forfeited during the year	00.00 - 30.00	2,78,125	
	30.01 - 60.00	3,86,249	
	60.01 - 90.00	—	
		6,64,374	
Exercised during the year*	00.00 - 30.00	8,48,000	
	30.01 - 60.00	84,650	
	60.01 - 90.00	—	
		9,32,650	

Notes forming Part of Consolidated Financial Statements (contd.)

Description	Exercise Range	30th September 2017	
		Shares arising out of options	Weighted Average period in months
Expired during the period	00.00 - 30.00	—	
	30.01 - 60.00	—	
	60.01 - 90.00	—	
		—	
Outstanding at the end of the year	00.00 - 30.00	95,26,375	60.51
	30.01 - 60.00	1,05,06,788	92.29
	60.01 - 90.00	6,40,000	0.63
		2,06,73,163	
Exercisable at the end of the year	00.00 - 30.00	90,06,135	59.84
	30.01 - 60.00	35,04,234	57.04
	60.01 - 90.00	6,40,000	0.63
		1,31,50,369	

* The weighted average share price of these options was Rs 22.23 for the period ended 30 September 2017

The key assumptions used to estimate the fair value of options are :

Particulars	March'18
Dividend yield	0%
Expected Life	5.5-7 years
Risk free interest rate	6.50% to 9.06%
Volatility	0% to 75%
Model Used	Black & Scholes

The expense arises from equity settled share based payment transaction amounting to ₹ 1.44 crore (31.03.2017 : ₹ 3.71 crore) for the period ended 30 September 2017.

NOTE - 51 Part A of Schedule II to the Companies Act, 2013 (the Act), inter alia, provides that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Part B of the said Schedule deals with the useful life or residual value of an asset as notified for accounting purpose by a Regulatory Authority constituted under an act of Parliament or by the Central Government for calculating depreciation to be provided for such asset irrespective of the requirement of Schedule II. In terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a pro-rata basis at the rates specified therein, the basis of which be considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the Parent's tariff for the year, which is also required to be used for accounting purpose as specified in the said Regulations. Based on legal opinions and independent accounting opinions obtained, the Parent continues with the consistently followed practice of recouping from the retained earnings an additional charge of depreciation relatable to the increase in value of assets arising from fair valuation, which for the current year amounts to ₹ 306.25 crore (previous year- ₹ 318.41 crore) and corresponding withdrawal of ₹ 5.18 crore (previous year : ₹ 23.09 crore) consequent to sale/ disposal of such assets and the same will be followed in subsequent years.

NOTE - 52 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 - 53 In order to lay specific focus on its operations and investments in the areas, inter alia, of power distribution, generation, organised retail (Retail Undertaking) and other sundry areas including business process outsourcing & property (IT Undertaking) by way of due alignment, the Board of Directors of CESC Limited ("Parent", "the Company") at its meeting held on 18th May, 2017 had approved, subject to necessary approvals, a composite scheme of arrangement (Scheme) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 involving the Parent and nine of its subsidiaries (Scheme Companies). The Scheme provides for restructuring of the Parent and its undertakings (all under common control as per Ind-AS 103) referred to in the Scheme into four listed entities, focussed on the above referred four verticals, the appointed date being 1st October 2017("the Appointed Date")

Notes forming Part of Consolidated Financial Statements (contd.)

The Parent on 5th October, 2018 has received from Hon'ble National Company Law Tribunal (NCLT) (the appropriate authority), the certified copy of the order dated 28th March, 2018 sanctioning the Scheme, subject to a condition that demerger of the Generation Undertaking shall be effective upon approval of the Hon'ble West Bengal Electricity Regulatory Commission (WBERC) to the Power Purchase Agreement (PPA) between the Parent and Haldia Energy Limited (One of the Scheme Companies). Pending the said approval, with necessary legal consultation, the Board of Directors at its meeting held on 12th October, 2018 has decided to give effect to the Scheme as below:

- a) Demerger of the Generation undertaking to be given effect after receipt of necessary approvals from WBERC.
- b) the remaining parts of the Scheme to be given effect from the Appointed Date in terms of the order of Hon'ble NCLT, whereby,
 - i) the said Retail Undertaking (Retail undertaking 1 as per the scheme) and IT Undertaking have been demerged into two entities as stipulated in the Scheme, viz. RP-SG Retail Limited (RSRL) and RP-SG Business Process Services Limited (RSBP) respectively.
 - ii) the three wholly owned subsidiaries, viz; CESC Infrastructure Limited (CIL) (engaged in the business of promoting and supporting entities engaged in infrastructure sector including power), Spencer's Retail Limited (SRL) post demerger of its retail undertaking (Retail undertaking 2 as per the scheme) (engaged in developing and conducting organized retail business) and Music World Retail Limited (MWL) (engaged in the business of organised music retailing stores and selling of music accessories) have been merged with the Parent and New Rising Promoters Private Limited wholly owned subsidiary of Crescent Power Limited (CPL) has been merged with CPL. The balances and transactions of CIL, have been merged on the basis of audited financials of CIL for the six months ended 30th September, 2017 and year ended 31st March, 2018.
- c) Each shareholder of the Company registered on the record date of 31st October, 2018 in respect of every 10 shares is entitled to additional 6 fully paid up equity shares of Rs. 5 each in RP-SG Retail Limited and additional 2 fully paid up equity shares of Rs. 10 each in the RP-SG Business Process Services Limited. CESC Limited is entitled to 500000 fully paid up 0.01% non-cumulative compulsorily redeemable preference shares of ₹ 100 each by RP-SG Retail Limited. Three entities merged with the Company, as stated above, were wholly owned subsidiaries of the Company and hence no consideration was to be given in lieu of transfer of said undertakings.
- d) Necessary accounting effect of the above has been given in these financial statements in terms of the above NCLT order and difference between asset and liabilities has been adjusted in Capital Redemption reserve, Securities Premium, Retained earnings and other specific reserves related to demerged entities.

Authorised share capital of the Parent has been increased pursuant to the Scheme of Arrangement.

The above accounting from the Appointed date is as per the Order of the Hon'ble NCLT rather than from effective date for the demergers and first day of the previous period presented for the mergers.

- e) Further, in respect of discontinued operation for the period upto 30th September 2017 following has been disclosed :

₹ in Crore

Particulars	April 1, 2017 to September 30, 2017	2016-17
Revenue	2,907.90	5,619.41
Other Income	13.63	11.61
Expense	2,814.23	5,416.26
Profit / (Loss) before tax	107.30	214.76
Cash flow :		
Net cash flow from Operating Activities	80.51	178.23
Net cash flow (used in) /from investing activity	(505.24)	(245.42)
Net Cash flow from/(used in) Financing Activities	698.32	60.67

Notes forming Part of Consolidated Financial Statements (contd.)

NOTE-54 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 2018

₹ in Crore

Sl No.	Name of the Entities	Country of Incorporation	31-Mar-18 Net Assets	31-Mar-18 As % of Consolidated Net Assets	2017-18 Profit	2017-18 As % of Consolidated Profit/ (Loss)	2017-18 Share in Other Comprehensive Income	2017-18 As % of Consolidated Other Comprehensive Income	2017-18 Share in Total Comprehensive Income	2017-18 As % of Consolidated Total Comprehensive Income
	Parent									
	CESC Limited	India	9,447.69	112.20%	861.71	94.42%	(8.79)	476.10%	852.92	93.65%
	Subsidiaries - Indian									
1	Haldia Energy Limited (HEL) (100% of CIL)	India	1,954.86	23.22%	313.13	34.31%	(0.79)	42.79%	312.34	34.29%
2	Dhariwal Infrastructure Limited (100% of CIL)	India	356.35	4.23%	(198.58)	(21.76%)	(0.32)	17.33%	(198.90)	(21.84%)
3	Surya Vidyut Limited (SVL) (70% CESC, 30% HEL)	India	270.43	3.21%	5.10	0.56%	(0.12)	6.59%	4.97	0.55%
4	Nalanda Power Company	India	0.02	0.00%	(0.00)	(0.00%)	–	0.00%	(0.00)	(0.00%)
5	CESC Projects Limited	India	5.58	0.07%	(5.46)	(0.60%)	(0.06)	3.25%	(5.52)	(0.61%)
6	Pachi Hydropower Projects Limited	India	1.59	0.02%	0.00	0.00%	–	0.00%	0.00	0.00%
7	Papu Hydropower Projects Limited	India	0.79	0.01%	(0.00)	(0.00%)	–	0.00%	(0.00)	(0.00%)
8	Ranchi Power Distribution Company Limited	India	(3.10)	(0.04%)	(1.69)	(0.19%)	0.02	(1.08%)	(1.67)	(0.18%)
9	Kota Electricity Distribution Limited	India	143.76	1.71%	(84.64)	(9.27%)	–	0.00%	(84.64)	(9.29%)
10	Bharatpur Electricity Services Limited	India	11.29	0.13%	(4.12)	(0.45%)	–	0.00%	(4.12)	(0.45%)
11	Bikaner Electricity Supply Limited	India	10.22	0.12%	(31.63)	(3.47%)	–	0.00%	(31.63)	(3.47%)
12	Crescent Power Limited (CPL) (67.83% CESC)	India	320.55	3.81%	47.50	5.20%	16.08	(870.87%)	63.58	6.98%
13	CESC Green Power Limited	India	0.05	0.00%	(0.00)	(0.00%)	–	0.00%	(0.00)	(0.00%)
14	Bantal Singapore Pte Limited	Singapore	5.59	0.07%	(0.15)	(0.02%)	(0.14)	7.35%	(0.29)	(0.03%)
15	Spencer's Retail Limited (SRL) #	India	–	0.00%	(19.45)	(2.13%)	(21.02)	1138.62%	(40.47)	(4.44%)
16	Music World Retail Limited (100% subsidiary of SRL) #	India	–	0.00%	–	0.00%	–	0.00%	–	0.00%
17	Au Bon Pain Café India Limited (93.1% subsidiary of SRL) #	India	–	0.00%	(21.25)	(2.33%)	–	0.00%	(21.25)	(2.33%)
18	Omnipresent Retail India Private Limited (100% subsidiary of RRL) #	India	–	0.00%	(4.74)	(0.52%)	0.04	(2.17%)	(4.70)	(0.52%)
19	Guiltfree Industries Limited (GIL) (100% subsidiary of RP BPS) #	India	–	0.00%	(11.82)	(1.30%)	0.11	(5.96%)	(11.71)	(1.29%)
20	Quest Properties India Limited (QPL) #	India	–	0.00%	8.92	0.98%	(0.01)	0.41%	8.92	0.98%
21	Metromark Green Commodities Private Limited (100% subsidiary of QPL) #	India	–	0.00%	(0.09)	(0.01%)	–	0.00%	(0.09)	(0.01%)
22	CESC Infrastructure Limited (CIL) #	India	–	0.00%	(0.36)	(0.04%)	–	0.00%	(0.36)	(0.04%)
23	New Rising Promoters Private Limited (100% subsidiary of CPL) #	India	(104.49)	(1.24%)	(42.69)	(4.68%)	–	0.00%	(42.69)	(4.69%)
24	Spen Liq Private Limited (SLPL) #	India	–	0.00%	(0.01)	(0.00%)	–	0.00%	(0.01)	(0.00%)
25	Firstsource Solutions Limited (FSL) #	India	–	0.00%	94.41	10.35%	(36.39)	1971.18%	58.02	6.37%
26	Firstsource Process Management Services Ltd. (100% subsidiary of FSL) #	India	–	0.00%	0.05	0.01%	–	0.00%	0.05	0.01%
27	Bowlopedia Restaurants India Limited (100% subsidiary of RP BPS) #	India	–	0.00%	(0.13)	(0.01%)	–	0.00%	(0.13)	(0.01%)
28	Apricot Foods Private Limited (70% subsidiary of GIL) #	India	–	0.00%	0.05	0.01%	0.01	(0.36%)	0.06	0.01%
29	RP-SG Retail Limited (RRL) #	India	–	0.00%	(0.03)	(0.00%)	–	0.00%	(0.03)	(0.00%)
30	RP-SG Business Process Services Limited (RP BPS) #	India	–	0.00%	(1.79)	(0.20%)	–	0.00%	(1.79)	(0.20%)
	Subsidiaries - Foreign									
31	Firstsource Group USA, Inc. (FG US) (100% subsidiary of FSL) #	USA	–	0.00%	(30.36)	(3.33%)	8.48	(459.25%)	(21.88)	(2.40%)
32	Firstsource BPO Ireland Ltd. (100% subsidiary of FSL) #	Ireland	–	0.00%	0.36	0.04%	2.89	(156.42%)	3.25	0.36%
33	Firstsource Solutions UK Ltd. (FS UK) (100% subsidiary of FSL) #	UK	–	0.00%	26.90	2.95%	23.81	(1289.52%)	50.71	5.57%
34	Firstsource-Dialog Solutions Pvt. Ltd. (74% subsidiary of FSL) #	Sri Lanka	–	0.00%	0.03	0.00%	(0.01)	0.54%	0.02	0.00%
35	ISGN Fulfillment Services Inc (100% subsidiary of ISGN Solutions Inc) #	USA	–	0.00%	–	0.00%	–	0.00%	–	0.00%
36	Firstsource Business Process Services, LLC (FBPS) (100% subsidiary of FG US) #	USA	–	0.00%	0.03	0.00%	0.96	(52.21%)	0.99	0.11%
37	Firstsource Advantage, LLC (100% subsidiary of FBPS) #	USA	–	0.00%	(1.94)	(0.21%)	0.13	(6.77%)	(1.82)	(0.20%)
38	Firstsource Solutions S.A. (Argentina) (FS SA) (99.98% subsidiary of FS UK) #	Argentina	–	0.00%	–	0.00%	–	0.00%	–	–
39	Firstsource Transaction Services, LLC (100% subsidiary of FS SA) #	USA	–	0.00%	7.94	0.87%	1.14	(61.96%)	9.08	1.00%
40	Firstsource Solution USA LLC (100% subsidiary of MH Inc) #	USA	–	0.00%	–	0.00%	–	0.00%	–	0.00%
41	One Advantage LLC (100% subsidiary of FBPS) #	USA	–	0.00%	6.22	0.68%	0.30	(16.36%)	6.52	0.72%
42	Medassist Holding LLC (MH Inc) (100% subsidiary of FG US) #	USA	–	0.00%	43.97	4.82%	(5.08)	275.04%	38.89	4.27%
43	ISGN Solutions Inc (100% subsidiary of FG US) #	USA	–	0.00%	–	0.00%	–	0.00%	–	0.00%
44	ISGN Fulfillment Agency LLC (100% subsidiary of ISGN Fulfillment Services Inc) #	USA	–	0.00%	–	0.00%	–	0.00%	–	0.00%
	Non Controlling interest		(69.39)	(0.82%)	(62.65)	(6.87%)	(3.27)	177.11%	(65.92)	(7.24%)
	Investment in Associates (Equity Method)									
45	Noida Power Company Limited	India	422.72	5.02%	49.73	5.45%	(0.17)	9.39%	49.56	5.44%
46	Nanobi Data and Analytics Private Limited #	India	–	–	(0.00)	(0.00%)	–	0.00%	(0.00)	(0.00%)
47	NPCL Solar Private Limited	India	0.02	0.00%	0.01	0.00%	–	0.00%	0.01	0.00%
	Investment in Joint Venture (Equity Method)									
48	Mahuagarhi Coal Company Private Limited	India	–	0.00%	–	0.00%	–	0.00%	–	0.00%
	Adjustment		(4,354.37)	(51.71%)	(29.85)	(3.26%)	20.36	(1102.73%)	(9.49)	(1.04%)
			8,420.17	100%	912.60	100%	(1.85)	100%	910.75	100%

Refer note 53

Notes forming Part of Consolidated Financial Statements (contd.)

NOTE-55

(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 ₹ 422.72 crore (31.03.17 : ₹ 404.95 crore)

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 2018	31 March 2017
Non Current assets	988.32	874.64
Current assets	197.76	187.33
Total Asset	1,186.08	1,061.97
Non current liabilities	220.37	348.42
Current liabilities	319.51	228.40
Total Liabilities	539.88	576.82
Regulatory Deferral Account Balances	205.22	284.19

For Commitment and Contingency - Refer note 32

(₹ in Crore)

Summarised Statement of Profit and Loss	Noida Power Company Limited	
	31 March 2018	31 March 2017
Revenue	1,375.27	1,199.43
Profit / (Loss) after tax before net movement in Regulatory deferral account balances	179.33	307.74
Net Movement in Regulatory deferral & related Deferred Tax	(78.97)	(210.08)
Profit / (Loss) after net movement in Regulatory deferral account balances	100.36	97.66
Total Other Comprehensive Income for the year, net of tax	(0.23)	(0.25)
Total Comprehensive Income for the year	100.13	97.41
Group share in profit / (loss) in associate/Joint Venture for the year	49.73	48.39
Group share in OCI in associate/Joint Venture for the year	(0.11)	(0.12)
Dividend Received by Parent	7.49	7.43

Notes :

- 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, 2018 stands at 50%. The company was incorporated for the development of Mahuagarhi coal field and exploration of coal therefrom. However the entity, being not material related disclosure not been given.
- Nanobi Data and Analytics Private Limited is an associate of the process outsourcing business which is not material to the Group.

Notes forming Part of Consolidated Financial Statements (contd.)

NOTE - 56 Fair value measurements

a) The carrying value and fair value of financial instruments by categories as at March 31 2018 and March 31, 2017 is as follows:

₹ in crore

	31-Mar-18			31-Mar-17		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial assets						
Investments						
- Equity	—	54.96	—	6.57	4.89	—
- Preference instruments	—	187.66	—	—	2.99	5.00
- Mutual funds	—	—	508.37	—	—	682.52
- Others	—	—	—	2.58	—	—
Trade Receivables	1,537.40	—	—	1,559.64	—	—
Loans	46.26	—	—	152.21	—	—
Cash and cash equivalents	880.53	—	—	1,254.74	—	—
Bank balances other than cash and cash equivalent	313.43	—	—	351.32	—	—
Derivative Asset	—	—	30.68	—	—	195.26
Others financial assets	100.99	—	—	458.82	—	—
Total financial assets	2,878.61	242.62	539.05	3,785.88	7.88	882.78
Financial liabilities						
Borrowings	14,577.75	—	—	15,594.19	—	—
Trade Payables	731.69	—	—	799.54	—	—
Security Deposit	1,506.74	—	—	1,619.01	—	—
Others	687.52	—	—	689.28	—	—
Total financial assets	17,503.70	—	—	18,702.02	—	—

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 2018					
Financial assets					
Investment in equity instruments	24.73	30.23	—	54.96	54.96
Investment in preference instruments	—	186.88	0.78	187.66	187.66
Investment in liquid mutual fund units	508.37	—	—	508.37	508.37
Derivative financial instrument - cross currency swap	—	30.68	—	30.68	30.68
Total financial assets	533.10	247.79	0.78	781.67	781.67
As at 31 March 2017					
Financial assets					
Investment in equity instruments	4.88	0.01	—	4.89	4.89
Investment in preference instruments	—	7.99	—	7.99	7.99
Investment in liquid mutual fund units	682.52	—	—	682.52	682.52
Derivative financial instrument - cross currency swap	—	195.26	—	195.26	195.26
Total financial assets	687.40	203.26	—	890.66	890.66

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 Consolidated 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 value of equity shares are based on net asset value of entity as at reporting date.
 - The fair values of the cross currency swap is determined using discounted cash flow analysis and swaps and options pricing models.
 - The fair value of preference share is determined on the basis of discounted cash flow wherein future cash flows are based on the terms of preference share discounted at rate that reflects market rate.
 - 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.
 - Fair Value of financial Instruments which is determined on the basis of discounted cash flow analysis, considering the nature, risk profile and other qualitative factors. The carrying amounts will be reasonable approximation of the fair value.
- d) Ind AS requires all financial assets / liabilities to be carried at fair value. Accordingly the difference between fair value and transaction value has been recognised as per applicable Ind AS.

NOTE-57 Related Party and their relationship

- a) **Parent- under de facto control as defined in Ind AS -110**

Rainbow Investments Limited

- b) (i) **Entities under common control**

Name
RPG Power Trading Company Limited (RPGPTCL)
Integrated Coal Mining Limited (ICML)
Open Media Network Limited (OMNL)
Harrison Malayalam Limited (HML)
Philips Carbon Black Limited (PCBL)
Saregama India Ltd (SIL)
Woodlands Multispeciality Hospital Limited (WMHL)
Sarala Real Estate Limited (SREL)
Dotex Merchandise Private Limited (DMPL)
APA Services Private Limited (APA)
Kolkata Metro Networks Limited (KMNL)
Kolkata Games And Sports Private Limited (KGSPL)
Stel Holdings Limited (SHL)
RP-SG Retail Ltd #
RPSG Business Process Services Ltd #
Castor Investment Limited

subsidiary of CESC Limited upto 30.September 2017. Thereafter entity under common control

(ii) **Key Management Personnel**

Name	Relationship
Mr. S. Goenka	Chairman
Mr. P. Chaudhuri	Director
Mr. C .K Dhanuka	Director
Mr. K. Jairaj	Director
Mr. B .M Khaitan	Director
Mr. P.K. Khaitan	Director
Ms. R.Sethi	Director
Mr. Aniruddha Basu	Managing Director (upto 28th May 2018)
Mr. Subhasis Mitra	Company Secretary
Mr. Rajarshi Banerjee	Executive Director & Chief Financial Officer

(iii) **Other Related Parties**

Name
Ms.Preeti Goenka (Shareholder and Relative of KMP)
Mr.Shashwat Goenka (Shareholder and Relative of KMP)
Khaitan & Co LLP
Khaitan & Co. (Mumbai)
Khaitan & Co. (New Delhi)
Khaitan & Co. AOR
Khaitan & Co. (Kolkata)
Khaitan Consultants Ltd.
CESC Limited Provident Fund
Calcutta Electric Supply Coporation (I) Ltd. Senior Staff Pension Fund
CESC Executive Gratuity Fund
CESC Limited Employee's Gratuity Fund

Notes forming Part of Consolidated Financial Statements (contd.)

Details of transaction between the Company and related parties and status of outstanding balance										₹ in crore	
Sl. No.	Nature of Transactions	Parent having Control in terms of Ind AS -110		Entities under common control		Key Management Personnel		Other Related Parties		Total	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
1.	Acquisition of Investment : Integrated Coal Mining Limited			180.32	(7.48)					180.32	(7.48)
2.	Advance for Share Subscription : APA Services Private Limited	-	-	(50.76)	29.20	-	-	-	-	(50.76)	29.20
3.	Short Term Advance Made :	-	-	23.28	-	-	-	-	-	23.28	-
4.	Expense Recoverable / (Payable) :	-	-	23.92	0.52	-	-	-	-	23.92	0.52
5.	Income from sale / services : RPG Power Trading Company Limited	-	-	139.63	135.93	-	-	-	-	139.63	135.93
	Others	-	-	12.97	0.10	-	-	-	-	12.97	0.10
6.	Expenses incurred : Integrated Coal Mining Limited	-	-	274.50	251.57	-	-	-	-	274.50	251.57
	RPG Power Trading Company Limited	-	-	172.43	179.33	-	-	-	-	172.43	179.33
	RPSG Business Process Services Ltd	-	-	22.50	-	-	-	-	-	22.50	-
	KGSPIL	-	-	47.79	0.48	-	-	-	-	47.79	0.48
	Others	-	-	14.70	4.76	-	-	7.82	3.10	22.52	7.86
7.	Provident Fund & Retiral funds : CESC Limited Provident Fund	-	-	-	-	-	-	182.30	174.41	182.30	174.41
	CESC Limited Employee's Gratuity Fund	-	-	-	-	-	-	37.70	31.20	37.70	31.20
	Others	-	-	-	-	-	-	20.43	19.98	20.43	19.98
8.	Balances written off / Provided	-	-	-	-	-	-	-	-	-	-
9.	Sale of Shares of Integrated Coal Mining Limited	-	-	-	0.01	-	-	-	-	-	0.01
10.	Purchase of Assets	-	-	0.24	-	-	-	-	-	0.24	-

Notes forming Part of Consolidated Financial Statements (contd.)

Details of transaction between the Company and related parties and status of outstanding balance (Contd.)										₹ in crore	
Sl. No.	Nature of Transactions	Parent having Control in terms of Ind AS -110		Entities under common control		Key Management Personnel		Other Related Parties		Total	
		31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
11.	Dividend paid : Rainbow Investments Limited Others	70.56 —	58.80 —	— 8.51	— 5.16	— 0.16	— 0.26	— 0.16	— 0.03	70.56 8.83	58.80 5.44
12.	Security Deposit Received / (Refunded)	—	—	0.02	—	—	—	—	—	0.02	—
13.	Remuneration of Key Managerial Personnel : Short Term Employee Benefits Post Employment Benefits	— —	— —	— —	— —	7.46 1.84	6.02 1.43	— —	— —	7.46 1.84	6.02 1.43
14.	Remuneration of Directors : Sitting Fees and Commission	—	—	—	—	33.37	24.55	—	—	33.37	24.55
15.	Outstanding Balance : 1. Debit 2. Credit	— —	— —	0.97 —	22.74 —	— 34.31	— 33.44	— 15.50	— 15.01	0.97 49.81	22.74 48.45

- a. The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.
- b. Outstanding balances are unsecured and settlement occurs in cash.

NOTE - 58 The Group has reclassified previous year's figures to conform to this years classification alongwith other regrouping / rearrangement wherever necessary.

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

Kamal Agarwal
Partner
Membership No. : 058652
Kolkata, 14th November, 2018

For and on behalf of Board of Directors

Chairman
Managing Director - Generation
Managing Director - Distribution
Company Secretary
Executive Director & CFO

Sanjiv Goenka
Rabi Chowdhury
Debasish Banerjee
Subhasis Mitra
Rajarshi Banerjee

Major Statistics : 2017 - 2018

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	1280	MVA		
132/33 KV Substations	Installed Capacity	3002	MVA		
Distribution Stations	Number of Stations	116			
	Transformer Capacity	3800	MVA		
LT Substations	No. of AC Substations	8249			
	Transformer Capacity	2785	MVA		
Package Substatons (PSS)	No. of Substations	99			
	Installed Capacity	93	MVA		
Distribution Network (Circuit Km.)					
	220 KV UG	45	Ckt. Km.		
	220 KV OH	221	Ckt. Km.		
	132 KV UG	307	Ckt. Km.		
	132 KV OH	81	Ckt. Km.		
	33 KV UG	1503	Ckt. Km.		
	33 KV OH	92	Ckt. Km.		
	20 KV UG	50	Ckt. Km.		
HT Distribution	11 & 6 KV UG	6652	Ckt. Km.		
	11 & 6 KV OH	87	Ckt. Km.		
	3.3 KV UG	21	Ckt. Km.		
LT Distribution	UG	7766	Ckt. Km.		
	OH	5406	Ckt. Km.		
HT Capacitor	132 & 33 KV	627	MVAR		
	6 & 11 KV	273	MVAR		
LT Capacitor (APFC)	0.4 KV	145	MVAR		
Additions During the Year					
220/132/33 KV Substations	160.0	MVA	LT UG Mains	119.15	Ckt. Km.
132/33 KV Substations	70.0	MVA	LT OH Mains	67.80	Ckt. Km.
Distribution Stations	110.5	MVA	220 KV UG	2.01	Ckt. Km.
LTAC Substations	44.1	MVA	220 KV OH	NIL	
Package Substatons (PSS)	19.8	MVA	132 KV UG	12.86	Ckt. Km.
No. of LT Services	13043	Nos	33 KV UG	31.35	Ckt. Km.
No. of HT Services	27	Nos	6 & 11 KV UG	131.48	Ckt. Km.

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

Statement Containing Salient Features of the Financial Statement of Subsidiaries / Associates / 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: Section I - Subsidiaries for full year

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
Rs. (crore)													
1	Au Bon Pain Café India Limited	April - March	116.00	(113.50)	4.77	4.77	–	–	6.84	(12.48)	–	–	93.10
2	Haldia Energy Limited	April - March	1203.44	751.42	6578.13	6,578.13	136.40	2222.46	408.13	95.00	313.13	–	100.00
3	Dharawal Infrastructure Limited	April - March	2082.77	(1,566.42)	4027.71	4,027.71	–	859.27	(198.58)	–	(198.58)	–	100.00
4	Surya Vidyut Limited	April - March	251.91	18.53	914.40	914.40	–	114.83	6.47	1.37	5.10	–	100.00
5	Nalanda Power Company Limited	April - March	1.35	(1.33)	0.03	0.03	–	–	(0.01)	–	(0.01)	–	100.00
6	CESC Projects Limited	April - March	33.85	(28.27)	6.52	6.52	–	–	(5.46)	–	(5.46)	–	100.00
7	Bantal Singapore Pte. Limited	April - March	56.68	(51.09)	5.73	5.73	4.73	–	(0.15)	–	(0.15)	–	100.00
8	Ranchi Power Distribution Company Limited	April - March	26.70	(29.80)	2.88	2.88	–	–	(1.69)	–	(1.69)	–	100.00
9	Pachi Hydropower Projects Limited	April - March	4.42	(2.83)	2.61	2.61	–	–	–	–	–	–	100.00
10	Papu Hydropower Projects Limited	April - March	2.82	(2.03)	0.79	0.79	–	–	–	–	–	–	100.00
11	Kota Electricity Distribution Limited	April - March	264.08	(120.32)	415.75	415.75	–	714.16	(84.64)	–	(84.64)	–	100.00
12	Bikaner Electricity Supply Limited	April - March	42.05	(31.83)	172.29	172.29	–	393.16	(31.57)	0.06	(31.63)	–	100.00
13	Bharatpur Electricity Services Limited	April - March	20.05	(8.76)	91.08	91.08	–	169.48	(4.12)	–	(4.12)	–	100.00
14	CESC Green Power Limited	April - March	0.05	–	0.05	0.05	–	–	–	–	–	–	100.00
15	Crescent Power Limited	April - March	60.00	155.08	595.05	595.05	209.55	170.78	44.97	3.11	41.86	–	67.83

Part A: Section II - Subsidiaries for part of the year

Sr No	Name of the Subsidiary	Turnover	Profit Before Taxation	Provision for taxation	Profit after Taxation	Proposed Dividend	% of shareholding
1	Guilfree Industries Limited	4.19	(6.57)	–	–	–	100
2	Bowlopedia Restaurants India Limited	0.09	(0.13)	–	(0.13)	–	100
3	Apricot Foods Private Limited	81.57	3.60	1.11	2.49	–	70
4	Quest Properties India Limited	58.10	8.17	(0.75)	8.92	–	100
5	Metromark Green Commodities Pvt. Ltd	–	(0.09)	–	(0.09)	–	100
6	CESC Infrastructure Limited	–	(0.36)	–	(0.36)	–	100
7	Music World Retail Limited	–	–	–	–	–	100
8	New Rising Promoters Private Limited	76.56	(35.54)	–	(35.54)	–	67.83
9	Spn Liq Private Limited	–	(0.01)	–	(0.01)	–	100
10	Spencer Retail Limited	1017.27	(19.45)	–	(19.45)	–	100
11	Firstsource Solutions Limited	1750.72	163.02	28.86	134.16	–	54.47
12	RP-SG Retail Limited	–	(0.03)	–	(0.03)	–	100
13	RP-SG Business Process Services Limited	0.75	(1.79)	–	(1.79)	–	100
14	Ominpresent Retail India Private Limited	0.85	(4.74)	–	(4.74)	–	100

For and on behalf of Board of Directors

Chairman	Sanjiv Goenka
Managing Director - Generation	Rabi Chowdhury
Managing Director - Distribution	Debasish Banerjee
Company Secretary	Subhasis Mitra
Executive Director & CFO	Rajarshi Banerjee

**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	31/03/2018	31/03/2018
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)	421.88	(0.92)
Profit / (Loss) for the year (₹ Crore)		
(i) Considered in Consolidation	49.73	—
(ii) Not Considered in Consolidation	Nil	Nil

Fully provided for*

For and on behalf of Board of Directors

Chairman	Sanjiv Goenka
Managing Director - Generation	Rabi Chowdhury
Managing Director - Distribution	Debasish Banerjee
Company Secretary	Subhasis Mitra
Executive Director & CFO	Rajarshi Banerjee

Kolkata, 14th November, 2018

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

CESC House

Chowringhee Square, Kolkata 700 001

Phone: (033)2225 6040 (10 lines), 2204 0300, 6634 0300

Fax: (033) 2225 5155

CIN: L31901WB1978PLC031411

Email: secretarial@rp-sg.in

Website: www.cesc.co.in