



RP-Sanjiv Goenka  
Group

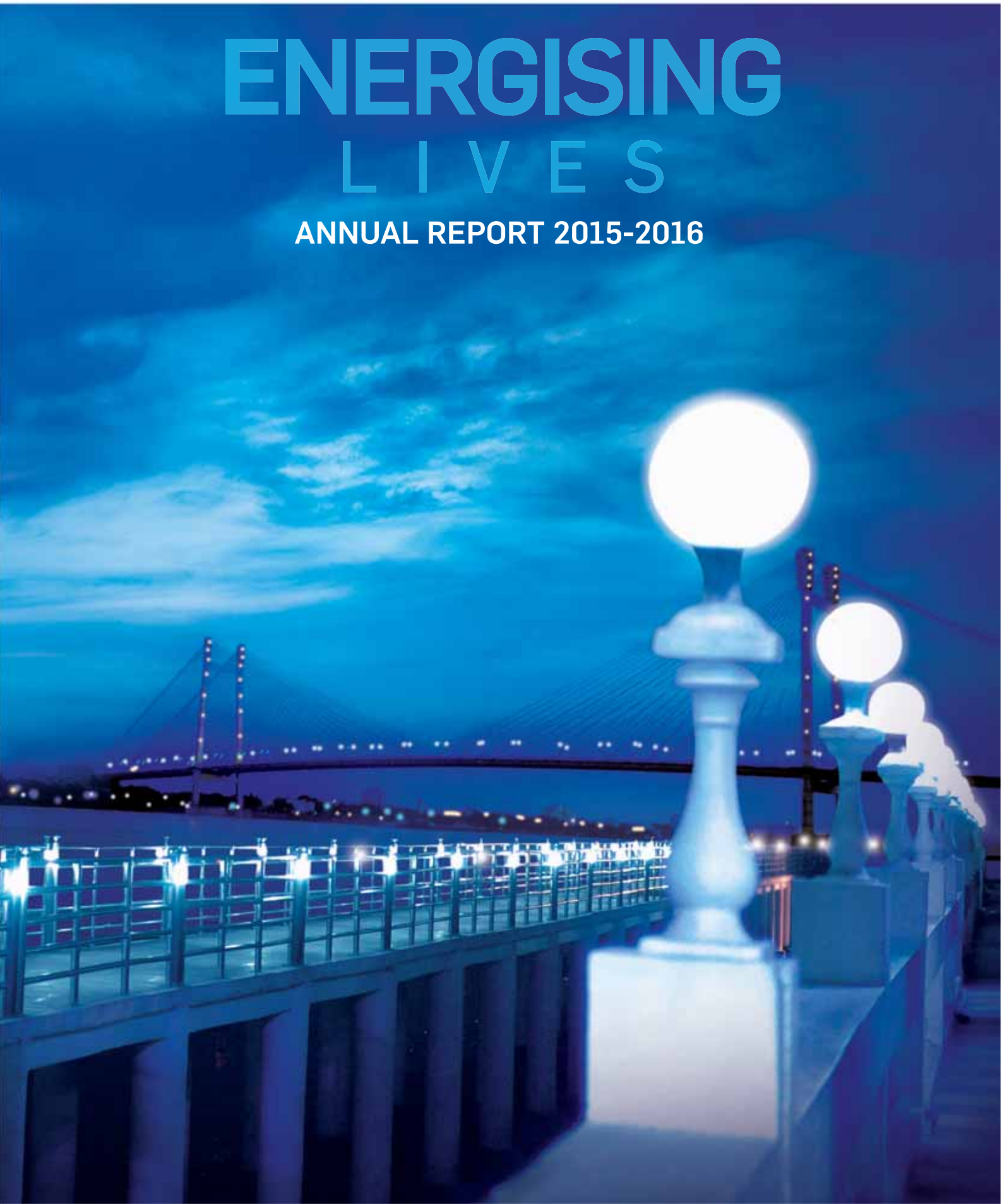
Growing Legacies



**CESC**  
LIMITED

# ENERGISING LIVES

ANNUAL REPORT 2015-2016





**RP - Sanjiv Goenka  
Group**

Growing Legacies



**CESC**  
LIMITED



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- AC Application
- e-Bill Registration
- Name Change
- Applying for New Connection



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## Board of Directors

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

### Company Secretary

Subhasis Mitra

### Auditors

Lovelock & Lewes

### Solicitors

Khaitan & Co.  
 Sandersons & Morgans

### Registered Office

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

### Bankers

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

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## Chairman's Letter

### *Dear Shareholder,*

There is a lovely phrase in English: “Steady as she goes”. It defines a state where things are continuing to do well. Where business is humming along. Where there are no upheavals, no rolls and pitches, no downturns nor ugly surprises. Where all the cogs in the wheel are performing exactly as these should — a tad better than these did yesterday. When, as another English phrase goes, “Things are ticking along swimmingly”.

Nothing better describes your Company’s performance for 2015-16. Here are the key financial results of CESC as a standalone entity.

- Revenue from operations increased by 5% over the previous year to ₹ 6,493 crore.
- Total income (including other income) also grew by 5% to ₹ 6,616 crore.
- Earnings before interest, depreciation and taxes (EBIDTA) rose by 5% to ₹ 1,721 crore.
- Earnings before interest and taxation (EBIT) grew by 5% to ₹ 1,352 crore.
- Profit before taxes (PBT) increased by 2% to ₹ 899 crore.
- Profit after taxes (PAT) was 1% higher at ₹ 707 crore.

Behind this solid and stable performance runs many a story of key operational improvements. Let me share a few with you relating to power supply and customer service, the details of which are elaborated in the Directors’ Report and the chapter on Management Discussion and Analysis.

Budge Budge, Southern, and Titagarh, the three power generating stations directly under the ownership of your Company, achieved a composite plant load factor (PLF) of almost 71% in 2015-16. This was clearly superior to the national average of 62%.

It needs to be said that thanks to significantly greater electric supply in the first six months of operation of the 2x300 MW coal fired thermal power plants at Haldia in West Bengal — set up by Haldia Energy Limited, a 100% subsidiary, your Company had the luxury of reducing the PLF of the older Southern and Titagarh units, and yet meet the needs of more than 3 million customers in Kolkata and Howrah spread over an area of 567 square kilometres.

To increase its ability to service steadily growing electricity demand in an acutely congested city like Kolkata, your Company has started to use technologies that would have been unheard of even a few years ago. It has built India’s first underground extra high voltage substation, where the gas insulated switchgears are under the surface while the power transformers at the ground level. It has also installed India’s first unit-cooled 100 MVA power transformer which takes up 35% less space than a conventional transformer, thus allowing for significantly larger capacities in limited spaces.

Your Company added some 1.4 lakh customers during 2015-16. The average time to provide a new connection continues to come down, and is now between one to two days. For premises having an existing connection, the time taken is a day. In 2015-16, over 38% of the connection applications were received online — versus 17% a year earlier. New online services launched in 2015-16 include, among others, a refund tracker and a payment module for meter replacements. Today, consumers who have registered their mobile

phone numbers or e-mail IDs get access to a complete set of information and services through SMS, e-mail and CESC’s mobile app.

Let me now touch upon the power generation business of two of your Company’s subsidiaries. The 2x300 MW coal fired thermal power project at Chandrapur in Maharashtra is fully operational. Unit I went into commercial operation in February 2014 and Unit II in August 2014. To evacuate power, the former is connected to the Maharashtra state grid, while the latter is to the central grid — an arrangement that gives Chandrapur flexibility in selling power both within and outside the state.

As mentioned earlier, both 300 MW plants at Haldia started commercial operations from the end of last year. The units already exhibit an 85% plant availability factor, and have been critical in steadily supplying cost efficient power to Kolkata and Howrah.

There have been three wind power projects. Two of them are in Gujarat and Rajasthan and the third, in Madhya Pradesh.

Now for a few words on your Company’s other ‘non-power’ ventures. With 118 stores across India, including 36 hypermarkets, Spencer’s Retail is CESC’s flagship subsidiary in the retail business. In 2015-16, it registered a same store sales growth of over 8.4%, and is expected to achieve operating breakeven in 2016-17.

With almost 24,000 employees across 47 service facilities, Firstsource Solutions Limited (FSL) provide business process management services to a wide list of marquee customers from the Fortune 500 and FTSE 100 companies in the healthcare, telecom, media, banking, financial services and insurance industries. FSL has continued to perform well.

You may recollect that Quest Properties India Limited (QPIL), a wholly owned subsidiary of your Company, launched Kolkata’s first upscale shopping mall, the Quest, in November 2013. An iconic shopping centre, it has been a huge success — with an annual footfall of 12 million and combined retail sale of some ₹ 520 crore.

And Au Bon Pain Café India Limited now has 24 cafes in Bengaluru, Kolkata and Delhi, and is readying for its next round of growth.

I am optimistic about India’s growth prospects. Having succeeded in clocking real GDP growth of 7.6% in 2015-16 — by far the highest among all developed countries and major emerging markets — I believe that the stage is set for higher growth. There have been reforms in the power sector and investments have gradually begun to kick in. I expect more in 2016-17 and beyond. Companies that have been careful with their cash and kept the gearing under control are ideally placed to refocus on growth and on new projects. I therefore expect your Company to perform even better next year, and create greater value for society as well as for you — who are the ultimate owners of this wonderful enterprise.

As always, thank you for your support. Your employees, management, Board of Directors and I treasure this very greatly.

With best wishes,

Yours sincerely,



Sanjiv Goenka  
Chairman

19 May, 2016

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

Corporate Identity Number : L31901WB1978PLC031411

## NOTICE TO THE MEMBERS

Notice is hereby given that the Thirty-eighth Annual General Meeting of the Members of CESC Limited will be held at Rangmanch, Swabhumji, 89C, Moulana Abul Kalam Azad Sarani, Kolkata- 700 054 (a route map is given hereunder) on Friday, 22 July 2016 at 10-30 AM for the following purposes :

1. To receive, consider and adopt the audited financial statements for the year ended 31 March 2016, and the audited consolidated financial statements for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm Interim Dividend @ 100% (i.e., ₹ 10/- per share) already paid for the year ended March 31, 2016.
3. To appoint a Director in place of Mr. Sanjiv Goenka (DIN 00074796) who retires by rotation and, being eligible, offers himself for reappointment
4. To ratify the appointment of Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass the following Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the re-appointment of the retiring Auditors, Messrs. Lovelock & Lewes (Firm Registration Number 301056E), to hold office from the conclusion of the Thirty-sixth Annual General Meeting (AGM) till the conclusion of the Thirty-ninth AGM of the Company be and is hereby ratified and the said Auditors be paid such remuneration as may be decided by the Audit Committee of the Board of Directors of the Company".

### SPECIAL BUSINESS

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

#### 5. AS A SPECIAL RESOLUTION

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

- (a) Punjab National Bank (PNB) for a term loan of ₹ 100 crore;
- (b) ICICI Bank Limited (ICICI) for two term loans aggregating ₹ 262.21 crore;
- (c) IDBI Bank Limited (IDBI) for a term loan of ₹ 200 crore;
- (d) HDFC Bank Limited (HDFC Bank) for a term loan of ₹ 150 crore; and

- (e) Union Bank of India (UB) for incremental working capital facility of ₹ 51 crore

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 PNB, ICICI, IDBI, HDFC Bank (collectively referred to as "the Term Lenders") and UB in terms of their respective letters of sanction, loan agreements, facility agreements, hypothecation agreements, or any other agreement or any amendment thereto entered into / to be entered into by the Company with all or any of the Term Lenders and UB 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 UB.

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

#### 6. AS AN ORDINARY RESOLUTION

"RESOLVED THAT the remuneration of ₹ 6,00,000/- (plus applicable service tax and out of pocket expenses) for M/s. Shome & Banerjee, Cost Accountants, as Cost Auditors of the Company for the financial year ending 31 March 2017, 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

Kolkata, 19 May 2016

Subhasis Mitra  
Company Secretary

#### NOTES :

1. The Register of Members of the Company will remain closed from 15 July, 2016 to 22 July, 2016, 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. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business under items 5 and 6 of the Notice is annexed hereto.
4. The Company proposes to send to the Members notices, annual report and accounts and other communication through electronic mode. Members are, therefore, requested to update their e-mail address with the Depository Participant if the holding is in electronic mode or intimate to the Company by sending an e-mail at [secretarial@rp-sg.in](mailto:secretarial@rp-sg.in). Copies of all such communication can also be obtained in physical form from the Company free of cost, upon request. All such documents shall also be available at the Company's website [www.cesc.co.in](http://www.cesc.co.in).
5. Dividend not claimed or paid within 7 years will be transferred to the Investor Education & Protection Fund (IEPF). As members concerned have already been intimated by the Company, all unpaid / unclaimed dividend for the year ended 31 March 2009 will be transferred to IEPF on or before 26 August 2016. Claims for payment of such dividend should, therefore, be lodged with the Company immediately.
6. Voting through electronic means :
  - I. (A) The Company will provide to its members the facility to vote on the resolutions proposed to be considered at the Thirty-eighth Annual General Meeting (AGM) by electronic means and the business may be transacted through such voting with services provided by National Securities Depository Limited (NSDL).
  - (B) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the AGM. The members attending the Meeting who have not already cast their vote from a place other than the venue of the AGM by using the said electronic voting system (such voting hereinafter referred to as "remote e-voting") shall be able to exercise their voting right at the Meeting.
  - (C) The members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
- II. The process and manner for remote e-voting are as under:
  - A. In case a member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the

Company/ Depository Participant(s)] :

- i) Open e-mail and open PDF file viz., "CESC e-Voting.pdf" with your Client ID or Folio No. as default password. The said PDF file contains your User ID and password/PIN for e-voting. Please note that the password is an initial password.
  - ii) Launch Internet Browser by typing the following URL:<https://www.evoting.nsdl.com/>
  - iii) Click on Shareholder - Login
  - iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. In case, you have earlier logged in at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and you have already changed your password, please use the changed password.
  - vi) Home page of e-voting opens. Click on e-voting Cycles.
  - vii) Select "EVEN" (E Voting Event Number) of CESC Limited.
  - viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [evotingam@gmail.com](mailto:evotingam@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. In case a Member receives physical copy of the Notice of AGM [for members whose e-mail IDs are not registered with the Company / Depository Participant(s) or those requesting for physical copy] :
- i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM :  
EVEN USER ID PASSWORD / PIN

- ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- III. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- Any investors' grievance relating to voting by electronic means may be referred to [secretarial@rp-sg.in](mailto:secretarial@rp-sg.in), or, a letter may be sent to the Registered Office of the Company.
- IV. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VI. 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 i.e. 15 July 2016 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [secretarial@rp-sg.in](mailto:secretarial@rp-sg.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- VII. The remote e-voting period commences on 19 July 2016 (at 9.00 am) and ends on 21 July 2016 (at 5.00 pm). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 15 July 2016, 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 shareholders shall not be allowed to change it subsequently or cast his vote again.
- VIII. 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, namely 15 July 2016.
- IX. Mr. Anil Murarka, Practising Company Secretary (Membership no. FCS 3150) has been appointed as the Scrutinizer to scrutinize the remote e-voting process 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 atleast two witnesses not in employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer's

Report of the total votes cast in favor 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](http://www.cesc.co.in) and on the website of NSDL immediately after their declaration by the Chairman and communicated to the Stock Exchanges where the shares of the Company are listed.

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

MR SANJIV GOENKA, 55 years of age is a renowned industrialist. He is a commerce graduate and the Chairman of RP-Sanjiv Goenka Group having an asset base of over ₹ 31000 cr, more than 55,000 employees and over three lakhs shareholders with annual revenues around ₹ 15,000 crore. The group's businesses spanning across six sectors - Power & Natural Resources, Carbon Black, Retail, Media & Entertainment, Infrastructure and IT & Education, include flagship companies such as CESC Limited, Firstsource Solutions Ltd, Phillips Carbon Black Limited and Saregama India Limited. Mr. Goenka is on the Board of CESC since 1989.

Mr. Goenka is Chairman of Phillips Carbon Black Limited, Saregama India Limited (also member Stakeholders Relationship Committee), Spencer International Hotels Limited, Spencer and Company Limited, Firstsource Solutions Limited and Woodlands Multispeciality Hospital Limited. He is also on the Board of Eveready Industries India Limited (also member of Nomination & Remuneration Committee). He is the Chairman of Stakeholders Relationship Committee, CSR Committee and a member of Audit Committee of the Company.

Mr. Goenka holds 258498 equity shares in the Company as on the date of this Notice.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE THIRTY-EIGHTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 22 JULY 2016**

**Item No. 5**

In order to finance a part of its capital expenditure requirements as well as to refinance certain costlier loans, the Company has availed of term loan assistance aggregating ₹ 712.21 crore from four banks namely Punjab National Bank (PNB), ICICI Bank Limited (ICICI), IDBI Bank Limited (IDBI) and HDFC Bank Limited (HDFC).

(PNB, ICICI, IDBI and HDFC are hereinafter collectively referred to as 'the said Term Lenders').

In addition, Union Bank of India (UB) has sanctioned incremental working capital facility of ₹ 51 crore.

The above term loans and the working capital assistance are required to be secured, inter alia, by creation of equitable mortgage on the

Company's immovable properties. Such security amongst term lenders shall rank pari passu inter se and with similar security of other senior lenders created / to be created by the Company while security in favour of UB shall rank pari passu with the security of other working capital bankers.

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

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

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

**Item No. 6**

The Board of Directors of the Company, on the recommendation of its Audit Committee, has approved the appointment and remuneration of M/s Shome & Banerjee, Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31 March 2017.

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

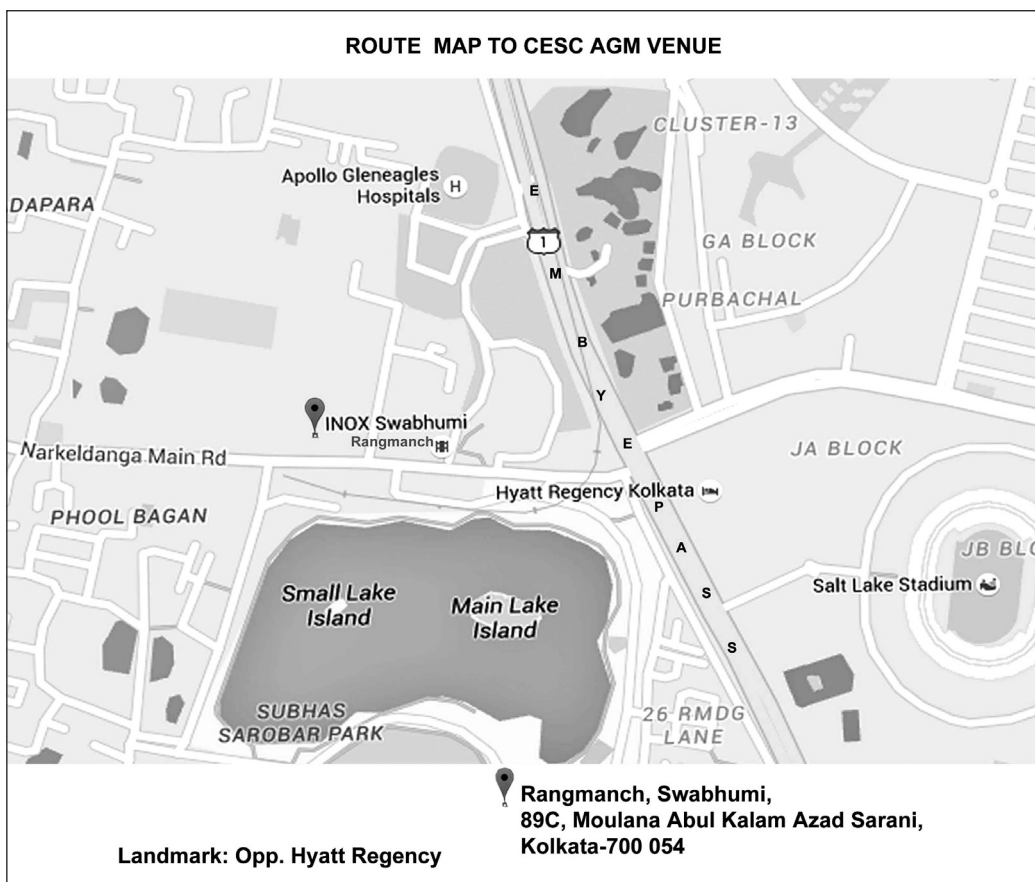
Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out under Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2017.

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  
19 May 2016

By Order of the Board  
  
Subhasis Mitra  
Company Secretary





# Directors' Report

The Directors have pleasure in presenting the Annual Report and Audited Accounts of CESC Limited for the year ended 31 March 2016.

## Financial Results

Particulars	₹ crore)	
	2015-16	2014-15
Revenue from operations	6493.07	6188.80
Other Income	123.11	84.80
<b>Total Income</b>	<b>6616.18</b>	<b>6273.60</b>
Profit Before Depreciation & Taxation	1268.21	1225.79
Depreciation	(369.20)	(343.07)
Taxation	(192.00)	(185.00)
<b>Profit before transfer to Reserves</b>	<b>707.01</b>	<b>697.72</b>
<b>Profit brought forward from previous year</b>	<b>243.50</b>	<b>225.64</b>
Reserve for unforeseen exigencies	(16.63)	(16.27)
General Reserve	(520.00)	(520.00)
Interim Dividend / Proposed Dividend		
& tax thereon	(159.55)	(143.59)
Leaving a balance carried forward	<b>254.33</b>	<b>243.50</b>

## Performance Overview

During the year under review, the Company's revenue from operations increased by 4.92% over last year to reach ₹ 6493.07 crore. Total income (including other income) grew by 5.46% from ₹ 6273.60 crore in 2014-15 to ₹ 6616.18 crore in 2015-16. Profit before depreciation and taxation (PBDT) grew by 3.46% to ₹ 1268.21 crore during the year. After providing for depreciation of ₹ 369.20 crore and taxation of ₹ 192.00 crore, the profit after taxes (PAT) for 2015-16 stands at ₹ 707.01 crore, which reflects an 1.33% increase over ₹ 697.81 crore during 2015-16.

A detailed review of the operations for the year ended 31 March 2016 is given in the Management Discussion & Analysis (Annexure 'A'), which forms a part of this Report.

## Dividend

The Board of Directors of the Company in its meeting held on 11 March, 2016 declared an interim dividend of ₹ 10 per equity share. The above dividend has been paid during the financial year 2015-16.

## Subsidiaries

As on 31 March 2016, CESC had thirty-five subsidiaries. Omnipresent Retail India Private Limited and New Rising Promoters Private Limited became subsidiaries of the Company during the year. Relevant details of operations of the subsidiaries are given in the section 'New Projects and Initiatives' and the section 'Other Businesses' in the Management Discussion & Analysis.

In accordance with the provisions of Section 129 (3) of the Companies Act, 2013 ('the Act') the Company has prepared a consolidated financial statement of the Company and of all the subsidiaries in the same form and manner as that of its own, duly audited by M/s. Lovelock & Lewes, the auditors, in compliance with the applicable accounting standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations'). The consolidated financial statements for the year 2015-16, which form a part of the annual report and accounts shall be laid before the Annual General Meeting of the Company while laying its financial statements under sub-section (2) of the said section. A separate statement containing the salient features of the financial statements of its subsidiaries is attached to the financial statements of the Company.

## Distribution Franchisee

CESC has emerged as the winner of two separate bids floated by Jaipur Vidyut Vitran Nigam Limited for appointment of distribution franchisees in the cities of Kota and Bharatpur in Rajasthan.

## Projects

Details of the Company's projects have been provided in the relevant sections of the Management Discussion & Analysis, which is annexed as a part of this report.

## Directors

Mr. S. K. Pai ceased to be a Director of the Company with effect from 21 May, 2015 pursuant to his retirement from IDBI Bank Limited.

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, Director, retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

The Independent Directors of your Company have confirmed that they meet the criteria of independence as prescribed under Section 149(6) of the Act and the SEBI Regulations.

Corporate Governance Report, which forms a part of this report, includes details on Nomination and Remuneration Committee and Remuneration Policy of the Company which deals with appointment and remuneration of Directors and Key Managerial Personnel and their performance evaluation criteria.

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

## Key Managerial Personnel

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

## Listing

The equity shares of the Company continue to be listed at the BSE Limited (BSE), the National Stock Exchange of India Ltd (NSE) and the Calcutta Stock Exchange Ltd (CSE). During February, 2016, the Company entered into Listing Agreement with BSE, NSE and CSE in terms of SEBI Regulations. The Company has paid the requisite listing fee to the Stock Exchanges up to the financial year 2016-17.

## 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, 2016, 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 separate Report on Corporate Governance (Annexure 'B') along with Additional Shareholder Information (Annexure 'C') as prescribed under the SEBI Regulations, are annexed as a part of this Report along with the Auditor's Certificate.

#### **Corporate Social Responsibility**

In accordance with Section 135 of the Act and the rules made thereunder, the Company has formulated a Corporate Social Responsibility Policy, a brief outline of which along with the required disclosures and details of activities undertaken during the year are disclosed in Annexure 'D' which forms part a of this report.

#### **Whistle Blower Policy**

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

#### **Related Party Transactions**

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

#### **Particulars of Loans, Guarantees or Investments**

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

#### **Fixed Deposits**

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

#### **Auditors**

Messrs. Lovelock & Lewes, Chartered Accountants, Statutory Auditors of the Company were reappointed Auditors to hold office from the conclusion of the Thirty-sixth Annual General Meeting (AGM) held on 30 July 2014 till the conclusion of the Thirty-ninth AGM subject to ratification by the members at the Thirty-eighth AGM of the Company. Accordingly, the notice convening the ensuing Thirty-eighth AGM includes a resolution seeking such ratification by the members of the said re-appointment of the Auditors.

The Company has received a letter from the Statutory Auditors to the effect that the ratification of their re-appointment, if made at the forthcoming Annual General Meeting, would be within the limits prescribed under Section 141(3)(g) of the Act.

#### **Cost Audit**

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

#### **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 'E').

#### **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 'F').

#### **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 'G').

#### **Particulars of Employees**

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 - 'H').

Further the information, as required in accordance with Rule 5 (2) of the said rules, also forms a part of this Report. However, as per the provisions of first proviso to Section 136(1) of the Act, 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 AGM.

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 of the Anti Sexual Harassment Policy of the Company is stated in the report of the Corporate Governance forming a part of this report.

#### **Industrial Relations**

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

#### **Acknowledgement**

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

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

For and on behalf of the Board of Directors

Kolkata, 19 May 2016

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 a fully integrated power utility engaged in the generation and distribution of electricity across 567 square kilometres of licensed area in Kolkata and Howrah, West Bengal. It supplies safe, cost-effective and reliable electricity to over 3 million customers -both consumer households and commercial establishments.

Apart from spearheading the Group's interest in the power sector, the Company, through its subsidiaries, is also active in the organised retail, business process management and infrastructure sectors as a part of its strategy for diversification and long-term growth.

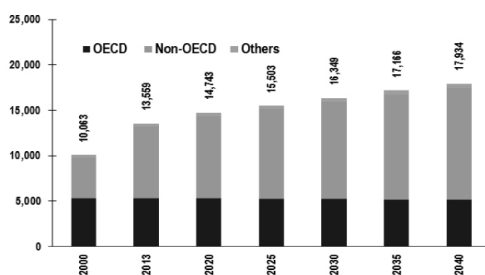
This chapter presents an overview of the energy sector as well as details of operational and financial performance of the Company. It also discusses important initiatives taken by CESC and its subsidiaries during the year to achieve its growth and performance objectives.

## ECONOMIC OVERVIEW

### Global Energy Outlook

The demand-supply dynamics of the global energy markets are likely to be shaped by the two key issues it faces today – energy prices and policy action on climate change. On the supply side, if the lower prices persist and investments do not take place, there is a risk of rebound. But, this would increase the incentives for tight oil in the US and a more aggressive global renewables energy programme. As far as demand for energy is concerned, even with structural shift to a less energy intensive growth phase of China, emerging economies are expected to drive the global markets.

**Chart A: World Primary Energy Demand (Mtoe)**



Source: New Policies Scenario, World Energy Outlook 2015, IEA

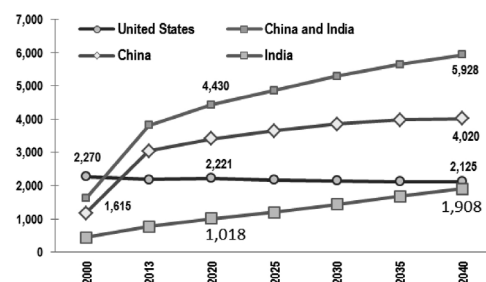
According to the World Energy Outlook 2015, world primary energy demand under the 'New Policies Scenario'<sup>1</sup> will grow by around 4,375 million tonnes of oil equivalent (Mtoe) between 2013 and 2040 - a CAGR of 1.0% (Chart A). Demand from OECD countries is expected to remain flat and the entire increase in energy demand will come from non-OECD countries.

More important, over 48.4% of this increase will come from China and India, with their combined energy demand growing from 3,812

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

Mtoe in 2013 to 5,298 Mtoe in 2040 (Chart B). As a result, these two countries will account for 33.1% of global energy demand in 2040, up from 13.6% in 1990 and 28.1% in 2013. This will make China, US and India the top three consumers of energy in the world by 2040, with a share of 22.4%, 11.8% and 10.6% respectively.

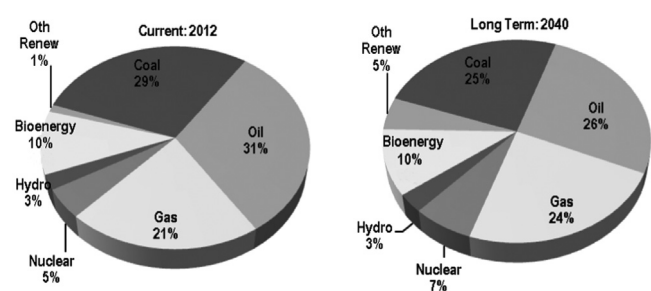
**Chart B: Comparative Energy Demand (Mtoe)**



Source: New Policies Scenario, World Energy Outlook 2015, IEA

Fossil fuels - coal, oil and gas - are the dominant source of energy, meeting around 81.5% of energy demand (Chart C). As far as the long-term trends in fuel sources are concerned, there have been encouraging improvements in efficiency and efforts to innovate and reduce the cost of emerging energy technologies, such as solar photo voltaics (PV) are bearing results. As shown in Chart C, share of renewable sources is expected to increase - from 13.7% in 2013 to 18.7% in 2040. During the same period, even as the dominance of fossil fuels continues, its share is estimated to come down to around 74.7%. 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 2013 and 2040.

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



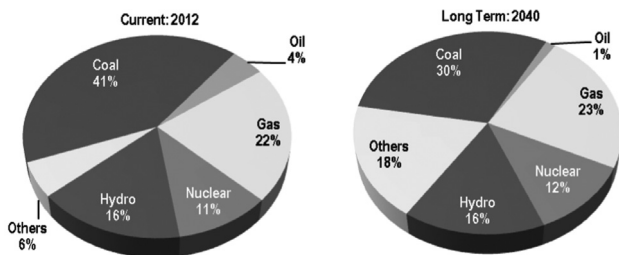
Source: New Policies Scenario, World Energy Outlook 2014, IEA

The power sector accounts for 37.7% of the global energy demand in 2013; and over 54.3% of the increase in energy demand between 2013 and 2040 is expected to come from this sector. Accordingly, capacity addition of 4,686GW is estimated between 2013 and 2040. The move to renewable sources will also gather steam, especially with availability efficient and cost effective technologies. As a result, renewable sources are expected to account for 64.1% of all capacity additions between 2013 and 2040.

This will mean significant change in the fuel mix for the power sector, more so than the overall global energy mix. As shown in Chart D,

dominance of fossil fuels is expected to come down significantly by 2040. Hydro and other renewable sources combined (mainly wind, solar, bioenergy and geothermal) will account for 34% of the total power generation by 2040.

**Chart D : Global Electricity Generation Outlook**



Source : New Policies Scenario, World Energy Outlook 2014, IEA

Overall, it is quite clear that even as coal and gas continue to be the primary fuel for the generation of power, renewable sources will be the biggest beneficiary in the medium to longer term. To that extent, building technology capabilities in the use of renewables will continue to dominate the global energy agenda in the future.

### India's Power Scenario

During 2015-16, Indian power sector added 30.4 GW in power capacity, up from 24.6 GW in the previous year. With these capacity additions, generation capacity in India stood at 298 GW at the end of the year. The addition of transmission and distribution infrastructure was also in line with targets. Table 1 gives the details for generation capacity.

**Table 1 : Power Generation Capacity in India: 2015-16, By Fuel Source**

Fuel	MW	% Share	Growth (%)
Coal	185,173	62.1%	12.5%
Gas	24,509	8.2%	6.3%
Diesel	994	0.3%	-17.2%
<b>Thermal</b>	<b>210,675</b>	<b>70.7%</b>	<b>11.5%</b>
Nuclear	5,780	1.9%	0.0%
Hydro	42,783	14.4%	3.7%
Others	38,822	13.0%	22.5%
<b>Total</b>	<b>298,060</b>	<b>100.0%</b>	<b>11.4%</b>

Source : Central Electricity Authority

Given that coal accounts for 62.1% of the total generation capacity in India, the bigger worry for the power sector in recent times has been availability of coal, not just for the new projects, but also for existing plants. This situation has eased considerably in the last couple of years, with the reallocation of cancelled coal blocks and increase in domestic production of coal.

Even with recent addition of capacities, the shortfall in generation

and transmission capacities have not been eliminated. During 2015-16, the all-India peak demand for power was 153 GW of power, whereas the actual power met was 148 GW - a shortfall of 3.2% (see Table 2).

**Table 2 : Power Demand and Deficit : 2015-16**

Region	Peak Demand (MW)	Peak Met (MW)	Deficit	Deficit %
Northern	54,474	50,622	-3,852	-7.1%
Western	48,640	48,199	-441	-0.9%
Southern	40,445	39,875	-570	-1.4%
Eastern	18,076	17,972	-104	-0.6%
North-Eastern	2,573	2,367	-206	-8.0%
<b>All India</b>	<b>153,366</b>	<b>148,463</b>	<b>-4,903</b>	<b>-3.2%</b>

Sources : Central Electricity Authority

The north-eastern and northern regions were the most affected in terms of power availability, followed by the southern region. What is more important to note is that the deficits reflected at the regional level are due to exceptionally poor situation in some states. For instance, J&K and UP in the northern region had deficit of 15.2% and 12.5% respectively; Karnataka in the southern region had a deficit of 6.7%; in the north-eastern region, Tripura had a deficit of 10.3% and Assam of 7.6%.

In spite of a subdued macroeconomic environment, demand for power in India has been growing rapidly. This is expected to continue with ongoing efforts to electrify all villages and provide uninterrupted electricity for all by 2019. At the same time, government's focus on the manufacturing sector and electrification of railways is expected to provide further boost to demand.

By 2022, demand for power is expected to increase to at least 239 GW<sup>2</sup> - up from around 150GW in 2015-16. This assumes meeting the new targets for energy efficiency as well as bringing down transmission and distribution losses, without which demand is expected to be even higher at 298 GW<sup>3</sup>.

Meeting these demand projections would essentially involve significant investments in the sector. While thermal will continue to be the dominant source of fuel, renewable energy is seeing significant push - with a targeted addition of 175 GW of renewable power capacity by 2022. These capacity additions will also need to be complemented with adequate transmission and distribution capacities.

### POWER BUSINESS

CESC's operations in the power sector comprise generation and distribution of electricity to over 3 million customers across its licensed areas in Kolkata and Howrah, West Bengal. For its existing

<sup>2</sup> Source : Current estimates released by Central Electricity Authority

<sup>3</sup> Source : 18th Electric Power Survey (2013), Central Electricity Authority

operations in Kolkata, the demand for power is quite variable, with the Company registering a peak period demand that is higher than 2,000 MW and a lean period demand as low as 450 MW. During peak demand period, in addition to its own generation, CESC purchases power from the state and national power grid. Conversely, during the lean period, it exports surplus power, when possible.

CESC's key achievement as an integrated power utility has been its ability to provide its customers with reliable and uninterrupted power supply at competitive rates. It has continued to move further in this direction by ramping-up utilisation from its new 600 MW Haldia plant in 2015-16, subsequent to the start of its commercial operations towards the end of previous year. This plant is operated by CESC's subsidiary, Haldia Energy Limited. At the same time, its existing generating stations at Titagarh and Southern continue to have high rate of availability, which is especially useful in meeting peak load demand or in emergencies.

Operational performance during the year is discussed in greater detail in the subsequent sections on 'Generation' and 'Distribution'. Besides these, the Company is taking several initiatives to expand its generation capacities and build its presence in the renewable energy sector. These have been discussed in the section on 'New Projects and Initiatives'.

CESC has placed special emphasis on building a customer centric organisation through introduction of customer friendly processes and deployment of technology. Significant efforts have also been made in the area of Human Resources to build an organisation that can deliver on the growth aspirations of the Company. These have been covered in greater detail in subsequent sections on 'Customer Service' and 'Human Resources'.

## Generation

CESC operates three generating stations: Budge Budge, Southern and Titagarh, which cumulatively produce 1,125 MW. These three stations use pulverised fuel (PF) as the primary energy source. In spite of the different age, capacity and technologies of the generating stations, CESC has achieved the best possible results, some of which are nationally and internationally benchmarked. All generating stations are ISO 9001:2008 certified in respect of Quality Management Systems.

During the year, the combined generation for the stations was 6,988 MU. The overall combined availability of these stations was 96.15%. The entire maintenance planning for the three stations has been structured to reduce forced outages and capital overhauling time. This includes stringent benchmarking, preventive inspection schedule and round the clock maintenance.

Output from a power plant is measured by plant load factor (PLF) which is the ratio of actual power produced to the maximum power producing capacity. CESC's composite PLF of the three PF plants was 70.72% in 2015-16 which is distinctly superior to the national average PLF of 62.28% during 2015-16. A brief review of plant-wise performance during 2015-16 is given below :

- **Budge Budge generating station (BBGS)** comprises three units of 250 MW each. During 2015-16, Budge Budge generated 5,793 MU (million units) of power, with a PLF of 87.94%. The plant availability factor (PAF) was 95.87%. During the year, BBGS received the bronze shield in the category of "Performance of Thermal Power Stations" by Central Electricity Authority.
- **Southern generating station (SGS)** comprises two units of 67.5 MW each. During the year, it generated 531 MU of power, with a PLF of 44.80% and a PAF of 96.77%.
- **Titagarh generating station (TGS)** comprises four units of 60 MW each. During the year, it generated 664 MU of power, with a PLF of 31.49% and a PAF of 96.7%.

CESC's generating stations have also excelled in energy conservation by achieving extremely low figures for auxiliary consumption and heat rate. To achieve this, the Company regularly undertakes technical enhancements, following best practices and implementing recommendations of external energy auditors. In recognition of its efforts in the area of energy conservation and innovation, BBGS received the "Excellent Energy Efficient Unit" award at the 16th National Awards for Excellence in Energy Management 2015 by Confederation of Indian Industry and the "Asia Region Plant Operational Excellence Award" by Navigant and EEI of the USA.

Protection of environment is an integral part of the power generation process. Apart from ensuring compliance with all applicable legal and regulatory requirements, the Company has set stringent in-house standards, and devised new and improved processes to achieve these. All generating stations are ISO 14001:2004 certified in respect of Environmental Management Systems. These have attained 'zero effluent discharge' status with 100% recycling. Since 2000, CESC has continuously achieved 100% utilisation of ash in an environment friendly manner. During the year, BBGS received the Silver Shield in the category of Environment Management by CEA, and the Gold Award at the 16th Annual Greentech Environment Awards.

## Distribution

CESC undertakes continuous upgrading of the distribution infrastructure to enhance the quality and reliability of supply, and to reduce downtime, overloads and distribution losses. During 2015-16, 3.28 lakh meters were installed on account of new supplies and replacements. CESC expects its peak power demand to increase from around 2,035 MW in 2015-16 to about 3,000 MW in 2025-26. The Company has put together a master plan for development of its distribution infrastructure taking into account this long-term demand forecast.

Investments were made during the year to strengthen the distribution network to cope with growing system demand, as well as for the replacement of old and ageing plant and equipment. These include commissioning of new distribution stations and substations, augmentation of transformation capacities, establishing ring-main connectivity, and substantial addition/replacement of the underground and overhead cable network along with the use of modern

equipment. CESC is also in the process of carrying out special projects to upgrade its distribution network, enhance the network capacity and supply reliability for efficient handling of the growth in demand.

Energy conservation and reduction of losses in the distribution network is a key area of focus for all power utilities. During 2015-16, a number of measures were adopted that contributed to the ongoing efforts to reduce AT&C losses and increase energy conservation. These include: standardisation to higher rated underground cables, regular energy audits, energy efficient distribution transformers and inclusion of the energy efficiency metric in the bid evaluation criteria for awarding contracts.

Use of advanced technology and innovation helps keep CESC ahead and ensures improved services to customers. Major initiatives in this regard during the year were:

- To increase the Company's capabilities in servicing the growing energy demand in space-starved city such as Kolkata, CESC deployed new technologies: (a) country's first underground EHV substation by Discom- with gas insulated switchgears underground and power transformers at ground level, (b) country's first "Unit-Cooled" 100 MVA power transformer which takes upto 35% less space than a conventional transformer, thereby allowing larger capacity substations in limited space.
- 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 Ring Main Unit Automation). This year too, trials were conducted using RF Mesh technology at different frequency bands and Power Line Carrier, to build a common communication canopy for both Smart Meters and RMU Automation. A larger pilot is planned in 2016-17.
- Pending availability of Smart Meters with BIS 16444 certification, CESC continued to install AMR (Automatic Meter Reading) Meters for selected customer segments. By the end of 2015-16, 31,613 AMR meters were installed, including 13,496 used for street lighting.

In recognition of its efforts in the area of distribution, CESC received several recognitions and awards during 2015-16 :

Category	Name of Recognition (Award Title)	Given by	Received on	For what (Key achievement)
Customer Services and Complaints Management	Winner - IUKAN AWARD	IUKAN (India Utility Knowledge And Networking) Forum in the Power Distribution Sector	08-09-2015	CRM system for Complaint Management for over 3 million consumers spread over 567 Sq. Kms.
Consumer Service	Winner - SKOCH Smart Technology Award 2015	SKOCH GROUP & SKOCH DEVELOPMENT FOUNDATION	10-12-2015	Virtual Office
Customer Value Enhancement	First Runner Up - Frost & Sullivan Best Practices Award 2015	Frost & Sullivan - Project Evaluation & Recognition Program 2015	11-12-2015	Creating a Virtual Office for over 3 Million Consumers
Image & Reputation	Skoch Award	Skoch Group	Dec-15	Smart Technology

## Customer Service

CESC's customer centric approach ensures that our 3 million plus customers have access to the highest levels of customer service in the industry. Continuous improvements in customer satisfaction through adoption of new technologies, processes and innovative ideas is therefore a strategic focus area for the Company. During 2015-16, it initiated a number of measures to strengthen customer service, aimed at both consumer households and businesses. Some of the key developments are discussed below :

- **New Connections** : CESC added around 1.4 lakh customers during 2015-16. The average time taken to provide a new connection came down significantly due to further reduction in time taken for inspection, which is now at 1-2 days. Moreover, where premises have an existing connection, supply is being effected within a day of payment and compliance. Online applications for connections were made simpler by redesigning the entry module. As a result, 38.17% of applications were received online in 2015-16, compared to 17.15% in 2014-15 and 4.09% in 2013-14.
- **Billing and Payment** : Meter reading through tablet computers was implemented during the year, which has improved the efficiency and accuracy of the billing process. The Company also introduced online payment through e-wallets and, in yet another customer friendly move, waived convenience fee for all modes of online payments. Besides, doorstep collection of ECS Mandate Forms was introduced to assist customers. Net-banking option for online payment of bills in addition to RTGS/NEFT has been introduced for high tension (HT) consumers. During the year, CESC renovated 12 more cash collection offices and introduced six more Anytime Payment Machines at locations where cash offices are not nearby. Complete renovation of the Regional Offices is also in progress.
- **Customer Contact** : The Company operates a centralised 24x7 call centre as a primary consumer touch point for complaints and queries. Weekly online chat with senior officers of CESC, where the Managing Director also participates, was expanded, with 45 such sessions organised in 2015-16. To further increase contact points, two WhatsApp numbers were introduced during the year for customers to raise queries and complaints, ask for

online assistance and report pilferage. CESC also connects with its customers through its Facebook page and Twitter handle.

- **Supply Interruptions** : As the call-centre is integrated with the Company's distribution system, it allows for immediate routing of complaint to the nearest service team, enabling prompt and effective attention. CESC has a 24x7 low tension (LT) control room and radio linked service vans at strategic locations to ensure faster restoration. Utilisation of GIS and field force automation has resulted in optimisation of manpower and further reduction in restoration time. During the year, a special drive was launched for HT consumers, through which all planned outages are proactively informed by the call-centre.
- **Customer E-services** : CESC is continuously expanding the coverage of its online and phone based services. During the year, it revamped its corporate website, which is now more user friendly and functions as a 24x7 virtual office for most service requests. New online services launched during the year include entry of PAN, refund tracker and a payment module for meter replacement charges. Adoption of e-services increased substantially during the year. For instance, 50.48% of the total name change requests were received online, versus 26.27% a year ago; and 34.74% of the total AC applications were received online compared to 18.76% in 2014-15. For consumers who have registered their phone numbers, e-mail IDs or use smartphones, the Company has a complete set of information and services delivered through SMS, e-mail and CESC's Mobile App.

#### Box 1 : Special Initiatives Introduced by CESC during 2015-16

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

- **Bill Language** : Customers were given the choice to opt for monthly electricity bills in Hindi or Bengali in place of English. 1,363 consumers have opted for bills in Bengali while 176 consumers have availed the option to get Hindi bills.
- **Centralised Complaint Management Centre** : A central set-up was created for quick, efficient and end-to-end resolution of customer complaints. Focused attention to each case is going a long way in improving consumer perception about CESC's customer services.
- **Technical Workshops** : CESC started organising technical workshops for its HT consumers, where presentations are given on relevant topics, followed by discussions and interactive sessions. Three such workshops were organised during the year, which were well appreciated.
- **Doorstep Consumer Meets** : As part of CESC's customer reach-out, it organised meets at consumers' localities, in collaboration with residential housing societies and local clubs. These provided opportunities for consumers to interact with CESC management while giving the Company the opportunity to generate awareness on new customer-centric initiatives and demonstrate their benefits, especially the e-services. An online module has been created on CESC's website through which a club or housing society can register itself for such a meet.

In recognition of its efforts in the area of customer service, CESC won a number of awards during 2015-16 - such as the "Frost & Sullivan Best Practices Award", "IUKAN: Utility Best Practices Award" and "The SKOCH Award". In the future, focus will continue to be on enhancing consumer satisfaction. Towards this end, efforts are on to improve the adoption of technology-based customer-centric solutions. At the same time, it will be the Company's endeavour to employ the latest technology and customer friendly processes to reduce transaction times at each touch-point.

#### Safety and Health

CESC adheres to a high standard of industrial safety practices across its operations. It has a safety department with dedicated officers from different functional areas to ensure integrated approach on developing safe work procedures. Last year, the Company initiated wide-ranging changes to imbibe a culture for safety within the organisation and carry out necessary changes in policies, processes and technology. Several initiatives were carried out during 2015-16 to take this forward.

The Company redefined its safety vision and policy, which now also includes a policy on use of personal protective equipment. 150 critical jobs were identified and safe work practices (SWPs) were created and subsequently implemented through rigorous training and workshops. By the end of March 2016, all regular as well as contractual workmen have undergone safety training. Besides, all officers in operating departments have gone through multiple safety-related training programmes conducted by internationally reputed consultants. The SWPs implemented during the year have gone through regular safety and occupational health audits by internal safety committees, safety department and external auditors.

As per practice, 'safety days' are observed in all major establishments of the Company. During the year, the "Central Safety Day" was organised at the Science City Auditorium where more than 4,000 regular and contractual employees participated. Besides, programmes are regularly carried out to promote safety awareness among employees. These include safety workshops, classroom training, mock drill, demonstration as well as publishing safety manuals, magazines and audio visual aids. The safety department publishes a safety magazine "Surakshabarta" in both Bengali and Hindi version which are distributed to employees. Separate newsletters and bulletins are also published for the generation and distribution divisions.

The Company ensures that all incidents are fully reported. All such cases are thoroughly analysed to find out root causes and corrective and preventive actions are initiated for implementation to avoid recurrences. Systems are also in place to encourage reporting of 'near misses' for proactive identification of potential hazards and enabling preventive actions. At the same time, penalties are imposed if instances of nonconformity with safety standards are reported.

Consequently, accident rates have reduced over the last few years. All thermal stations are OSHAS 18001:2007 certified for occupational



health, and safety management systems. During the year, the Southern Generating Station received the 14th Annual Greentech Safety Award (2015)- Gold Award; and the Budge Budge Generating Station received the 14th Annual Greentech Safety Award (2015)-Platinum Award in recognition of our adherence to safety standards, and practices followed for maintaining occupational health and environment.

CESC operates 30 well-equipped dispensaries across the organisation with doctors and pharmacists. Best-in-class medical facilities including major super speciality hospitals, nursing homes and diagnostic clinic are also available to the employees through tie-ups in the city. It also conducts regular health check-up as a part of the occupational health initiative for its employees including employees of contractors. During the year, the Company also carried out several drives to sensitise employees on prevention of lifestyle diseases and a focus on wellness over curative approach towards illness. A team of dedicated doctors was engaged to initiate health consciousness among the employees and a Mega Health Awareness Programme was organised in March 2016 to sensitise and encourage employees to adopt a healthier lifestyle.

## New Projects and Initiatives

### Thermal

**Chandrapur, Maharashtra** : This is a 2 x 300 MW coal fired thermal power project at Chandrapur in Maharashtra, implemented by Dhariwal Infrastructure Limited (DIL), a 100% subsidiary of CESC Infrastructure Limited.

Unit I was commissioned in 2013-14 and went into commercial operation in February 2014. Unit II was commissioned in 2014-15 and went into commercial operation in August 2014. For power evacuation, Unit I is connected with the state grid and Unit II with the central grid. This provides the flexibility in sale of power to customers from both within and outside the state.

During the year, the subsidiary signed a Fuel Supply Agreement (FSA) with South Eastern Coal Fields Limited for its coal requirements. It had entered into a power purchase agreement (PPA) for supply of 100 MW power with TANGEDCO, for which supplies started in December 2015. It is in the process of tying up balance capacity. In recognition of its innovative and environment friendly practices to save energy and natural resources, DIL won the Srishti Green Cube Award 2016.

**Haldia, West Bengal** : This is a 2 x 300 MW coal fired thermal power project at Haldia in West Bengal, implemented by Haldia Energy Limited (HEL), a 100% subsidiary of CESC Infrastructure Limited.

Both the units were commissioned and started commercial operation towards the end of 2014-15. HEL has executed a long term PPA with CESC Limited, its ultimate holding company, for selling entire power generated from the project. It has also entered into a FSA with Mahanadi Coalfields Limited (MCL), a subsidiary of Coal India Limited (CIL), for sourcing coal. The power evacuation arrangement is through

400 kV transmission line to the Power Grid Corporation India Limited substation at Subhasgram, which has 236 metre high towers for crossing a two-kilometre stretch of the river Hooghly.

During 2015-16, which included a large part of the six-month stabilisation period, HEL achieved the remarkable feat of over 85% plant availability factor. It successfully implemented Integrated Management System [ISO 9001, ISO 14001 and OHSAS 18001]. It also received several awards and recognitions: Dun & Bradstreet Award in the Project Implementation category; Green Tech Environment Award in the Gold Category for Outstanding Achievement in Environment Management; and, Gold Award for CSR from the Green Tech Foundation.

**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, which is operational since July 2009. The power plant is owned by Crescent Power Limited, which operates in the merchant market. During the year, the plant achieved 100% PLF in generation.

**Bhagalpur, Bihar** : Nalanda Power Company Limited, another 100% subsidiary of CESC, had signed a MoU with the Bihar State Electricity Board (BSEB) for development of a 2,000 MW power project in Bhagalpur district of Bihar, in two phases of 1,000 MW each. Further progress will be taken up upon receiving clarity on the land acquisition process, arrangements for capacity tie-up for power supply and sources of long-term coal supply over the life of the plant.

**Dhenkanal, Odisha (Phase I)** : This is a 2 x 660 MW thermal plant based on super-critical technology. Most of the statutory clearances have been obtained and the project is awaiting coal linkage to be granted by Ministry of Coal, Government of India. During the year, the Government of Odisha extended the MoU for the project by two years, reaffirming its support for the project.

### Hydro

**Papu, Arunachal Pradesh** : CESC acquired Papu Hydro Electric Power Project Limited in May 2012, which has a 90 MW hydro project in East Kameng district of Arunachal Pradesh. The pre-feasibility report (PFR), detailed topographic survey and environmental studies for the project are complete. Other project development activities, including receiving clearances from the wildlife standpoint for carrying out investigations and DPR preparation, are in progress.

**Phangchung, Arunachal Pradesh** : CESC acquired Pachi Hydro Power Projects Limited in May 2012, which has a 45 MW hydro project in East Kameng district of Arunachal Pradesh. Detailed survey, investigation and preparation of Detailed Feasibility Report (DPR) is complete and techno-economic clearance has been obtained from IIT Roorkee and the state government. Environmental studies and public hearing are also complete. A social impact assessment study and public consultation, as required under the new Land Acquisition Act, were completed during the year. Land acquisition and other pre-construction activities are in progress.

## Wind

**Dangri, Rajasthan :** This is the Company's first venture into the wind power business. The 24 MW project was implemented by Surya Vidyut Limited (SVL), which is a wholly owned subsidiary of CESC. The project 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. Since its commissioning in 2012-13, the plant has been running profitably with a net capacity utilisation factor comparable to other projects operating in the same area.

**Surendranagar, Gujarat :** This is the Company'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 :** SVL has set up the third wind power project (36 MW) in Madhya Pradesh. Power from this project is for sale to Madhya Pradesh Power Management Company Limited through a long term power purchase agreement.

## Solar

**Ramnathapuram, Tamil Nadu :** The 15 MW<sub>ac</sub> solar power project, undertaken through Crescent Power Limited, a subsidiary of CESC, was commissioned in January 2016 and is operating as per target parameters. Power is being sold to the Tamil Nadu Generation and Distribution Corporation Limited under a long term energy purchase agreement.

## Distribution Franchisee

**Ranchi, Jharkhand :** CESC, through its wholly owned subsidiary Ranchi Power Distribution Company Limited (RPDCL) was awarded distribution franchising in Ranchi Circle of Jharkhand State Electricity Board (JSEB) through a Distribution Franchisee Agreement (DFA) executed in December 2012. Subsequently, the DFA was purportedly terminated by Jharkhand Bijli Vitaran Nigam Limited (JBVNL), the distribution company formed out of the unbundling of JSEB. This was challenged by the Company in the High Court at Ranchi and the single bench has since quashed the letter of termination and remanded the matter to JBVNL. JBVNL has preferred an appeal in the division bench of the High Court at Ranchi, which is currently pending.

**Kota and Bharatpur, Rajasthan :** In a significant development since the close of the financial year, CESC has emerged as the winner in two separate bids floated by Jaipur Vidyut Vitaran Nigam Limited for appointment of distribution franchisee in the cities of Kota and Bharatpur in Rajasthan. CESC's appointment is for a period of twenty years each for the purpose of distribution and supply of electricity in the two cities as per the relevant Bid Specifications and other applicable documents. Necessary details for formalising the appointment will be worked out by two SPVs to be formed for the above purpose.

## OTHER BUSINESSES

### Retail

CESC operates in the organised retail sector through its subsidiaries.

- Spencer's Retail Limited (SRL), is the flagship company of CESC in the retail sector with 118 stores across India under the Spencer's brand name, including 36 hypermarkets. The stores cater to all family needs - groceries, home and personal care products, apparel and accessories, consumer durables and lifestyle products. During 2015-16, it registered a same store sales growth close to 8.4%, on the back of a similar growth in the previous year, with an average revenue per square feet of Rs.1,452 per month, versus Rs.1,350 per month in the previous year. Focus continues to be on growing the top-line, keeping costs under control and revamping / exiting from non-performing stores. In 2016-17, SRL plans to roll out about five to six new stores in the hypermarket format, which will allow it to further consolidate its presence in the existing clusters. This will also help in fully leveraging both back-end capabilities and optimise marketing costs. Apart from this, focus will be on improving the non-food business and in-store experience as well as building team capability to support the company's growth plans for the business. Overall, SRL is moving closer to achieving an operating breakeven in the year 2016-17.
- Au Bon Pain Café India Limited (ABPCIL) is a subsidiary of SRL, catering to the 'fast casual restaurants' segment as the Indian master franchisee of ABP Corporation, USA. During 2015-16, ABPCIL opened two new cafés across its existing four trade channels, namely, high street/shopping malls, business and industry locations, hospital premises and universities, along with expanding its operations in the city of Delhi. With these, the number of cafés that were in operation at the end of the year was 24, with presence in Bengaluru, Kolkata and Delhi.

### Business Process Management (BPM)

SpnLiq, a wholly owned subsidiary of CESC, purchased a majority stake in Firstsource Solutions Limited (FSL) in 2012-13. FSL is in the business of providing Business Process Management (BPM) services in the areas of customer management, transaction processing and collections services to Fortune 500, FTSE 100 companies in the US, UK and India markets in the Healthcare, Telecom & Media (T&M), and Banking, Financial Services and Insurance (BFSI) industries.

FSL has total employee strength of 23,886 and supports clients from 47 service facilities spread over the USA, the UK, Philippines, India and Sri Lanka. The company's client base is large. It includes (i) six of the Top 10 general-purpose credit card issuers in the US, (ii) the largest retail bank and mortgage lender in the UK, (iii) one of the top three car insurance companies in the UK, (iv) a leading Irish bank, (v) a leading credit card issuer in the UK, (vi) a leading private life insurer in India, (vii) the largest pay TV operator in the UK, (viii) the largest pay TV and leading telecom service provider in Australia, (ix) three of the top five mobile service providers in India, (x) the largest

telecom service provider in the UK, (xi) the largest news and broadcasting company in the UK, (xii) one of the world's largest media and entertainment conglomerates, (xiii) two of the top 10 telecom companies in the US, (xiv) one of the top five private banks in India, (xv) the largest telecom company in Sri Lanka, (xvi) five of the top 10 Fortune 500 health insurers and managed care companies in the US, and (xvii) over 700 hospitals in the US.

FSL provides a comprehensive range of services to clients across the customer lifecycle in each of its focused industries. It delivers innovative and value added business process management services through a combination of deep domain knowledge, strategic alliances and internal competence building, backed by the right technology. During 2015-16, FSL's revenue was ₹ 900.53 crore and profit before tax grew by 9% to ₹ 174.12 crore.

### Real Estate

Quest Properties India Limited (QPIL, formerly CESC Properties Limited), a wholly owned subsidiary of CESC, launched Kolkata's first upscale shopping mall, the 'Quest' in November 2013. During 2015-16, Quest completed the second full year of operation. It has been a huge success maintaining annual footfall of 12 million and a combined gross sale of around ₹ 520 crore by all retailers. It has become an iconic shopping centre brand with pan-India fame.

During the year, Quest won several awards and accolades including "Shopping Mall of the Year - East" and "Retail Property of the Year - East" at the 8th Estate Awards organised by Franchise India; the "Most Admired Shopping Centre - East (Metro)" at the India Shopping Centre Awards - Images; and CMO Asia's "National Award for Marketing Excellence" for best use of social media marketing. The restaurants in Quest, namely, Chili's, Yauatcha, Serafina, Smoke House Deli, Bombay Brasserie and Irish House have also won awards in their respective categories.

QPIL is entering into a residential project in Haldia to cater to the housing requirement of some large corporate houses and individual residents in the port township. The project will be spread across 3.5 acres of land and will be carried out in phases. The first phase, for which planning is currently in progress, will have a total saleable area of about 2 lakh square feet.

### HUMAN RESOURCES (HR)

Employees are our greatest assets and CESC continually strives to create a work environment that ensures their growth, capability building and well-being. Accordingly, all HR strategies are formulated keeping employees at the core, and supporting them to contribute to the organisation. Processes are in place by way of engagement surveys and perception studies to receive regular feedback from a cross-section of employees to align the Company with the changing business needs.

In the area of recruitment, the Company has established itself as a "Preferred Employer" at premier educational institutions through its

initiatives to enhance campus relations, a process driven by a dedicated cross-functional team of senior executives. "Unmesh", the paid summer internship programme for students of premier engineering colleges and business schools, has played a major role in this direction. "Anneswan", the annual induction process, has established itself as a highly popular initiative for integrating the newly recruited executives within the organisation. Talent acquisition activities progressed well during the year.

Learning and development is a key focus area. Curriculum based programmes and special courses in collaboration with premier institutes play a major role in this regard. Special emphasis is given on building a safe workplace and fostering a customer centric culture among employees. During 2015-16, the Company carried out 930 training programmes totalling around 18,700 man days of training. To meet the needs of leadership development and talent management, several structured initiatives such as leadership retreat, coaching and mentoring, and outbound learning programmes were also carried out.

Knowledge and innovation management play a pivotal role in building organisational capability. To achieve this, CESC organises an annual "Knowledge Carnival", a platform to bring out innovative ideas to the fore. The Company has an in-house knowledge and innovation portal, "e-prognya", to support the process. Innovative projects are also published in the in-house bi-annual technical journal. HR has also played an important role in restructuring the organisation to meet the changing needs of the business. Two new teams - Business Excellence and Disaster & Risk Management - were created during the year to institutionalise positive work in these areas.

The Asia Institute of Power Management (AIPM), the training and consulting wing of CESC, has established itself in training power professionals across the country and abroad. During 2015-16, AIPM carried out 86 training programmes for 1,900 executives, which aggregated 6,150 training man days. These programmes covered diverse areas: capacity building, infrastructure development, network planning and development, reliability improvement, loss reduction, safety and renewable energy.

In the area of industrial relations (IR), the unions representing the employees continued to play a positive role in partnering with the management to drive and maintain excellence in operations. They also extended full support in implementing advanced technology, modernisation and improvement in consumer service, which entailed rationalisation and skill upgradation.

During 2015-16, a number of employee centric initiatives such as "Employee Suggestion Scheme", "Reward and Recognition Programme" and "Small Group Interactive Meetings" were launched to enhance employee engagement and cater to the changing needs of the work force. The Company has taken special initiatives to communicate more actively with its employees and their family members through events such as Annual Sports Day, Mega Health Awareness Programmes and "Ankur Samman" - a programme to felicitate meritorious children of employees.

In the course of the year under review, CESC won several awards and recognitions which underscore its employee friendly HR practices. These include: the "CBIP Award" for capacity building and training; the "NIPM National Award" for HR best practices; the "World HRD Congress National Award" for excellence in innovative use of training and development; and, the "Energy and Environment Foundation Award" for Global HR skill development.

As on 31st March 2016, CESC had a workforce of 9,494 people on its payroll. The Company continues to enjoy industrial harmony in its business operations. No major incident of service interruption due to industrial relations (IR) issues was reported during the year.

### Quality

Quality is intrinsic to CESC's philosophy and is imbibed in a strong process driven business model that the Company follows in all key areas of its operations. Over the years, the Company has been implementing quality management principles to achieve consistency and scalability in its functioning.

During the year, CESC moved ahead to institutionalise its activities in the area with the formation of a Business Excellence team. This increased participation in quality and workplace organisation projects from nine to 13 departments. During 2015-16, 245 Kaizens were identified and approved. A reward and recognition programme has also been put in place to encourage greater participation in the initiative. Going forward, focus will be on increasing the scope and coverage. Efforts are also on to build capabilities and create a central team for regular cross-functional audits. The Company has also put in place a roadmap to implement the European Foundation for Quality Management (EFQM) model of excellence. In recognition of its initiatives, CESC received the commendation for "Strong Commitment to Excel" at the CII-Exim Bank Award for Business Excellence.

### INFORMATION TECHNOLOGY (IT)

At CESC, IT is not just an enabler of business processes, but forms an integral part of the organisation's capability to deliver on its strategic and performance objectives such as cost control, superior performance and customer delight.

Over the years, the Company has developed a strong IT backbone for carrying out its business. CESC's IT infrastructure includes CESCNET, its captive optical fibre data network, which connects the Company's service establishments across the license area and a state-of-the-art data centre (DC) and disaster recovery (DR) site for its IT applications. Use of advanced IT solutions and processes have enabled continuous monitoring of its network and carrying out preventive maintenance of electrical assets, resulting in fewer breakdowns and a consequent fall in maintenance cost.

During 2015-16, focus was on further enhancing operational efficiencies and building on the 'SMAC Framework' (Social Media, Mobility, Analytics and Cloud Computing) introduced during the previous year. In line with this, the Company has also invested significant resources in augmenting its computing infrastructure at

DC and DR, as well as expanding coverage of high-availability cloud-based services during the year.

A number of software solutions were implemented to increase automation in the generation and distribution divisions which, apart from increasing efficiencies, also introduced highest standards of safety and security in the day to day activities. Similarly, tablet computer based meter reading was introduced, which increased accuracy and saved time by validating readings and eliminating the need for back-end entries. In a customer-centric initiative, the Company launched a centralised call management centre which routes and redresses all commercial complaints irrespective of their service region.

Significant progress was also made in the area of business analytics with the implementation of applications in diverse areas : reducing theft and pilferage, proactive identification and resolution of root-cause of frequent complaints from a service areas, reducing capital expenditure by optimising distribution assets and customer segmentation.

Going forward, CESC will continue to build on its strengths, with greater focus on performance and business continuity, to service its growing customer base. Special emphasis will be on improving the customer-centric processes and deploying useful applications in the area of analytics.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

CESC is committed to carrying out its business in a socially and environmentally responsible manner that enriches people's lives through inclusive and sustainable development. Its initiatives, designed specifically to benefit the economically and socially disadvantaged communities, focus on impact-driven projects, which are measurable and generate noticeable results over a period of time.

The CSR ethos and approach of the Company is drawn from the core values of the RP-Sanjiv Goenka Group: customer satisfaction, credibility, humaneness, execution excellence, speed and risk-taking. CSR initiatives at CESC cover four thematic areas: education, health, environment, and community development. During the year, the Company won "Gold Award" for its achievements at the Greentech CSR Awards. It also won "Asia Best CSR Practices Award 2015" in the category "Support and Improvement of Quality of Education" by CMO Asia.

#### Education Initiatives

CESC's "School Build Programme" has been focusing on infrastructure development of government and municipal schools through repair and renovation of school buildings, provision of facilities such as safe drinking water facility, benches and computers. During 2015-16, the Company implemented the programme in eight schools benefiting approximately 10,000 students.

Under its "*Nirmal Abhiyan*" programme, carried out in partnership with City Level Programme of Action for Street and Working Children (CLPOA), the Company seeks to improve health of vulnerable and

poor students through provisioning of safe drinking water and appropriate sanitation facilities in government and government aided schools. During 2015-16, infrastructural support was extended to five schools to upgrade their sanitation facilities which benefited 761 students. Till date, it has been implemented in 12 schools and has benefitted approximately 1,614 students.

"Muktangan" is a remedial education programme for under privileged students implemented in partnership with Hope Kolkata Foundation (HKF). The project seeks to provide academic support to underprivileged students from class VII to class X, to prevent drop outs and ensure appropriate learning achievements. During the year, 578 students in 15 centres benefited from the initiative.

The Company continued working with ten schools in the "CESC Learning Labs" programme. The programme, carried out in partnership with NIIT Limited, is a learning solution that integrates science and math labs with classrooms. It allows students to develop their learning capabilities by helping them associate classroom learning with computer aided simulations. It emphasizes on "learning by doing" to foster applied reasoning. During the year, more than 34 teachers were trained under this programme and approximately 2,138 students benefitted from it.

### Health Initiatives

"Hamari Sehat" is a maternal and child health project carried out in partnership with City Level Programme of Action for Street and Working Children (CLPOA). The objective is to improve status in terms of reduced mortality and morbidity, improvement in general health seeking behaviour, increased coverage of immunization, reduced malnutrition and improved hygiene practices. During 2015-16, 517 households or approximately 1,020 people directly benefited from the project.

"Suswasthya" is a health project carried out in partnership with Association for Social and Health Advancement (ASHA), which aims at improving the health of women, adolescents and children in selected slums. Specific focus is on prevention of severe malnutrition among children and appropriate ante-natal care (ANC) and post-natal care (PNC) for women. 1,650 beneficiaries were provided support under the programme during the year.

### Environment Initiatives

CESC continued working with 30 schools under its "Urja Chetana" programme, carried out in partnership with Centre for Environment Education (CEE). The programme strives to generate awareness on energy conservation amongst students, who would carry the learning to the larger society through community outreach activities. During the year, 780 students and 41 teachers were directly involved, whereas another 3,030 students were indirectly involved with the programme. Over 1,110 persons were also engaged through in-school and community outreach activities.

During the year, CESC continued with its partnership with the Kolkata Municipal Corporation for maintaining the green verges from the Park Street flyover to the Hazra crossing in Kolkata.

### Community Development Initiatives

"Nirmal Sankalp" is a comprehensive water and sanitation project in Titagarh Municipality, in partnership with Water for People India Trust (WFPIT). Started in 2014-15, it seeks to improve availability, usage, quality and sustainability of water and sanitation facilities by involving community members as change agents. A number of toilets and bathing cubicles were repaired, renovated and constructed during the year in Ward No. 13 of the Municipality. A user group committee was formed to ensure maintenance of the toilets and to liaise with the Municipal authorities. The entire Municipality is expected to be covered over a period of five years. The project received 'Rashtra Vibhushan Award - Gold' by Foundation of Accelerated Community Empowerment.

Skill development is the key to improving the employability and livelihood opportunities of our youth. Keeping this in mind, CESC has been supporting a skill building programme in Howrah called LABS (Livelihood Advancement Business School), in partnership with Dr. Reddy's Foundation (DRF). The programme involves training and placement of underprivileged youth in hospitality, ITES (IT enabled Services), customer service, multi-skill tasking and automobile sectors. During 2015-16, 230 people benefited from the project.

## FINANCIAL PERFORMANCE

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

	₹ Crore		
	2015-16	2014-15	% Change
Revenue from operations	6,493	6,189	5%
Other Income	123	85	45%
<b>Total Income</b>	<b>6,616</b>	<b>6,274</b>	<b>5%</b>
Cost of Power Purchased	2,039	1,323	54%
Fuel Costs	1,347	1,805	-25%
People Costs	749	694	8%
Generation, Distribution, Administration & Other Costs	760	818	-7%
<b>Total Expenses</b>	<b>4,895</b>	<b>4,640</b>	<b>5%</b>
<b>EBIDTA</b>	<b>1,721</b>	<b>1,634</b>	<b>5%</b>
Depreciation	369	343	8%
<b>EBIT</b>	<b>1,352</b>	<b>1,291</b>	<b>5%</b>
Finance Costs	453	408	11%
<b>PBT</b>	<b>899</b>	<b>883</b>	<b>2%</b>
Less : Provision for Taxes	192	185	4%
<b>PAT</b>	<b>707</b>	<b>698</b>	<b>1%</b>

Table 3 summarises the financial performance of CESC Limited as a standalone entity. Total income (including other income) of CESC increased by 5%, from ₹ 6,274 crore in 2014-15 to ₹ 6,616 crore in 2015-16.

Overall operating expenses grew by 5% to ₹ 4,895 crore in 2015-16 primarily driven by an increase in cost of power purchased. This coupled with a reduction in fuel costs reflect the change in energy

mix due to lower utilisation of the Company's generation assets (TGS and SGS) subsequent to the ramping-up of generation at the new plant in Haldia (HEL).

Earnings before interest, depreciation and taxes (EBIDTA) went up by 5% over last year to ₹ 1,721 crore in 2015-16. Profit before depreciation and taxation (PBDT) reflected a year-on-year increase of 3% to ₹ 1,268 crore in 2015-16.

The Company's profit after taxes (PAT) for 2015-16 stood at ₹ 707 crore and the earnings per share (EPS) during the year stood at ₹ 53.34 compared to ₹ 54.51 in 2014-15.

## INTERNAL CONTROLS

A strong internal controls framework is an essential pre-requisite of growing business. In this context, 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 of the Company are safeguarded against unauthorised use or losses, all the transactions are properly authorised, recorded and reported, and all applicable laws and regulations are complied with.

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

## RISKS AND CONCERNS

CESC's Risk Management Committee operates on a comprehensive risk management framework that the Company has put in place over time. The Committee is headed by the Managing Director and comprises the entire senior management team. A Risk and Disaster Management cell was created during the year to further strengthen the process.

Divisions identify operational and tactical risks and suggest measures for mitigation and control. The Committee supervises and monitors the risk identification and mitigation activities of each division. CESC has identified the following key areas of risks and concerns.

### Macroeconomic and Market Risks

Even though availability of coal has improved, coal quality and linkages for new projects continues to be an issue. Surplus power generation capacities in the short term exposes the Company and its subsidiaries 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. Apart from this, the Company is actively looking at securing resources abroad to effectively address its energy requirements. The Company is well placed to access for state and national grids to sell surplus power. It is also actively looking at PPAs to further mitigate such risks.

### Operational Risks

It is becoming increasingly difficult to build generating stations inside a congested megalopolis like Kolkata - not the least because of environmental concerns. As CESC's plants age, it is natural that their operating efficiencies shall reduce; beyond a point in time, shutting down and replacement of these plants will become imperative. If the Company is not allowed to build replacement plants at the sites where current generating stations exist, the cost of evacuating and distributing power from far flung locations into the licensed area will increase substantially, in turn 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.

As mentioned earlier in the report, CESC has deployed advanced technologies to address space related constraints. To mitigate the risks associated with availability and quality of power, the Company invests significant resources in the maintenance of its generation and distribution assets. At the same time, the new generation project at Haldia will ensure availability of cost-effective power in the medium to longer term. To mitigate risks associated with disasters, the Company has a comprehensive disaster management plans and SOPs, which it updates regularly. Mock drill on fire fighting and evacuation during emergency has become a part of training calendar and vital installations are being brought under 24x7 CCTV surveillance system to protect against external attack, security breach or similar activities.

### Regulatory Risks

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

## FUTURE OUTLOOK

Even with a modest recovery in the advanced economies, the global economic environment continued to be subdued. Growth also decelerated in most emerging markets, which have otherwise been

driving global demand in the last few years. The situation in China, which is moving towards consumption and services in an attempt to rebalance its economic activity, is likely to also have a significant impact on global energy markets.

India is among the very few large economies with a stable macroeconomic outlook. Its GDP growth in 2015-16 was 7.6 per cent, higher than 7.2 per cent recorded in the previous year. Inflation also remained stable during the year, prompting the RBI to maintain an accommodative monetary stance-bringing down policy rates by 100 basis points during the year. With the Government's resolve to maintain fiscal prudence, inflation is likely to remain in check, especially with global commodity prices not showing signs of any significant upward movement.

As far as power sector is concerned, domestic demand is projected to grow significantly in the future, more so with the focus on rural electrification and ensuring 24x7 power to all by 2019. Although the investment cycle is yet to kick in, focus on the manufacturing sector is likely to provide further boost to demand for power in India. At

the same time, policy changes for the sector have been encouraging. There has been considerable forward movement on increasing supply of coal and efforts are in process to reduce the stress of debt-ridden state power distributors. Besides, policies for encouraging renewal fuel sources will reduce implementation risks for such projects and help create a more balanced generation capacity in the country.

These developments should benefit the Company, which, through its subsidiaries and Group entities, has been active in planning and implementing power projects based on thermal as well as renewal sources of fuel.

#### **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 actually be realised or achieved.

Kolkata, 19 May 2016

On behalf of the Board of Directors

Sanjiv Goenka  
Chairman

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



## Company's Philosophy on Corporate Governance

CESC Limited ('CESC' or 'the Company') is a consumer oriented power utility committed to accomplishing targeted performance and enhancing stakeholders' satisfaction. The Company remains committed to good corporate governance practices, which it believes serves as the foundation for long term success. It believes that corporate responsibilities should be so articulated as to ensure strategic guidance, effective monitoring and accountability, thus resulting in consumer satisfaction and fairness in dealings. The Company's corporate governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in its decision-making.

Corporate governance standards for listed companies are now regulated in India by the Securities and Exchange Board of India (SEBI) through recently introduced SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 ("Listing Regulations") which replaced the requirements of erstwhile Clause 49 of the Listing Agreements entered into with the stock exchanges. This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports CESC's compliance of corporate governance reporting requirement of the Listing Regulations for the year ended 31 March 2016.

## BOARD OF DIRECTORS

### COMPOSITION OF THE BOARD

On 31 March 2016, CESC's Board of Directors ('the Board') consisted of eight Directors, of whom six were Independent Directors. The Managing Director is the only executive director of the Company. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and the Listing Regulations.

### NUMBER OF BOARD MEETINGS

In 2015-16, the Board met five times : on 21 May 2015, 31 July 2015, 13 November 2015, 9 February 2016, and 11 March 2016. The maximum gap between any two Board meetings was less than one hundred and twenty days.

### DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

Table 1 details the composition and the attendance record of the Directors. None of the Directors is a member of more than ten Board-level Committees of public companies in which they are Directors, or the chairman of more than five such Committees.

**Table 1 : Composition of the Board of Directors as on 31 March 2016**

Name of the Directors	Category	No. of other Directorships and Committee memberships / Chairmanships in other Indian public companies			Attendance Particulars		
		Director <sup>1</sup>	Member <sup>2</sup>	Chairman <sup>2</sup>	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last AGM
Mr. S. Goenka (Chairman)	Promoter, Non-Executive	7	–	1	5	5	Yes
Mr. P. K. Khaitan	Independent	9	4	–	5	5	Yes
Mr. B. M. Khaitan	Independent	5	–	–	5	3	No
Mr. C. K. Dhanuka	Independent	8	5	–	5	5	Yes
Ms. R. Sethi	Independent	2	1	–	5	5	Yes
Mr. K. Jairaj	Independent	4	3	–	5	4	Yes
Mr. P. Chaudhuri	Independent	8	3	4	5	5	Yes
Mr. A. Basu	Executive	–	–	–	5	5	Yes

### Notes :

1. Directorships held by Directors as mentioned in Table 1 do not include alternate directorships and directorships of foreign companies, Section 8 and One Person companies and private limited companies.
2. Memberships / Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all public limited companies have been considered.
3. None of the Directors are related to each other.
4. 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](https://www.cesc.co.in/wp-content/uploads/policies/FAMILIARIZATION_ID_CESC_LIMITED.pdf)



## INDEPENDENT DIRECTORS

The Board consists of six Independent Directors all of whom have confirmed that they meet the criteria of independence as prescribed under Section 149(6) of the Act and the Listing Regulations.

During 2015-16, the Independent Directors met on 13 November 2015 in order to, inter alia, review the performance of non-independent directors including that of the Chairman taking into account the views of the executive and non executive directors; assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties and other related matters. All the six Independent Directors attended the said meeting.

The details of the familiarisation programme of Independent Directors is disclosed on the Company's website at [https://www.cesc.co.in/wp-content/uploads/policies/FAMILIARIZATION\\_ID\\_CESC\\_LIMITED.pdf](https://www.cesc.co.in/wp-content/uploads/policies/FAMILIARIZATION_ID_CESC_LIMITED.pdf)

## INFORMATION SUPPLIED TO THE BOARD

The Directors are presented with detailed notes along with the agenda papers well in advance of their meeting. Necessary information as required under the statute and in line with the guidelines on Corporate Governance are placed before and reviewed by the Board. The Board periodically reviews compliance reports prepared by the Company regarding all laws applicable to the Company, as well as steps taken to rectify instances of non-compliance, if any.

Important operational matters are brought to the notice of the Board at its meetings held from time to time. Operational heads from various divisions of the Company 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 relating to matters concerning Board members and Senior Management Officers and their duties and responsibilities has been meticulously followed. All Directors and Senior Management Officers have affirmed compliance of the provisions of the Code during the year 2015-16 and a declaration from the Managing Director to that effect is given at the end of this report. The Code is posted on the Company's website [www.cesc.co.in](http://www.cesc.co.in).

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

As on 31 March 2016, Audit Committee of CESC's Board of Directors consisted of Mr. S. Goenka, Mr. B. M. Khaitan, and Mr. C. K. Dhanuka. Mr. Dhanuka, Independent Director, is the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise.

The Chairman of the Audit Committee attended the Annual General Meeting held on 31 July 2015.

The Committee met four times during the course of the year: on 21 May 2015, 31 July 2015, 13 November 2015 and 9 February 2016. Table 2 gives attendance record.

**Table 2 : Attendance record of Audit Committee members for 2015-16**

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

The chief of finance and representatives of the statutory auditors, cost auditors and internal auditors are invited by the Audit Committee to its meetings. The Company Secretary is the secretary to the Committee.

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

1. 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.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. 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.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
7. 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.
8. Discussion with internal auditors for any significant findings and follow up thereon.
9. 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.
10. Discussion with 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.
11. Reviewing the Company's risk management policies.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The auditors and the key managerial personnel have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report.

The Audit Committee is empowered, pursuant to its terms of reference, to :

- a) Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- b) Obtain professional advice from external sources to carry on any investigation and have full access to information contained in the records of the Company.
- c) Discuss any related issues with the internal and statutory auditors and the management of the Company.
- d) Review and monitor the auditor's independence and performance and effectiveness of audit process.
- e) Approve subsequent modification of transactions of the Company with related parties.
- f) Scrutinize the inter-corporate loans and investments and evaluate internal financial controls and risk management systems.
- g) 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 :

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters/letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the chief internal auditor.
- 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, the Audit Committee of the Board is also empowered to review the financial statements, in particular, the investments made by the unlisted subsidiary companies, in view of the requirements under Regulation 24 of the Listing Regulations.

#### STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholders' Relationship Committee looks into redressal of investor grievances such as transfer of shares, issue of share certificates, non-receipt of Annual Report, non-receipt of declared dividends etc.

For expediting the process of registration of transfers of the Company's securities, the Board has delegated the power of approving share transfers and for dealing with matters connected therewith, to the Company Secretary who is also the Compliance Officer. The delegated authority attends to share transfer formalities at least once a fortnight.

The Committee comprises of Mr. S. Goenka, who is the Chairman of the Committee and Mr A. Basu. The Committee met two times during the year : on 28 September 2015 and 30 March 2016. Table 3 gives the details of attendance.

**Table 3 : Attendance record of Stakeholders' Relationship Committee**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. S. Goenka	Chairman	Non- Executive	2	2
Mr A. Basu	Member	Executive	2	2

Details of number and nature of complaints received and resolved during the year are given in Additional Shareholder Information.

#### RISK MANAGEMENT COMMITTEE

Risk Management Committee of the Board consists of Mr. P. K. Khaitan (Chairman), Mr. B. M. Khaitan, Mr.P. Chaudhuri and Mr. A. Basu as well as two senior executives viz. Executive Director (HR & Admin.) and Executive Director & CFO as its members.

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

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Corporate Social Responsibility (CSR) Committee of the Board consists of Mr. S. Goenka, Mr. B. M. Khaitan and Mr. A. Basu as its members with Mr.Goenka as its Chairman. The committee is entrusted with the responsibility to formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company and to discharge such other responsibilities as required under the Act and the Rules made thereunder.

#### NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises of Mr. B. M. Khaitan (Chairman), Mr. C. K. Dhanuka and Mr. P. K. Khaitan, Independent Directors of the Company. The role of the Committee, inter-alia, includes :

- Identify persons qualified to become directors or hold senior management positions and advise the Board for such appointments/removals where necessary;
- 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;
- evaluate the performance of every director;
- devise a policy on Board diversity.

In accordance with the recommendation of the Committee, the Company has since formulated a Remuneration Policy for directors, key managerial personnel and other employees of the Company. The Committee is responsible for recommending the fixation and periodic revision of remuneration of the Managing Director. The Committee also decides on payment of commission to Non-Executive Directors and other senior managerial personnel. The performance evaluation criteria for non executive including Independent Directors laid down by the Committee and taken on record by the Board includes -

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

During the year, the Committee met two times : on 21 May 2015 and 31 July 2015.

Table 4 gives the details of attendance.

**Table 4 : Attendance record of Nomination & Remuneration Committee**

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

#### REMUNERATION OF DIRECTORS

Payment of remuneration to the Managing Director is governed by the agreement executed between him and 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 to Non-Executive Directors for the year ended 31 March 2016 :

Details of Sitting Fees paid to Non-Executive Directors during the year 2015-16 are as follows : Mr. S. Goenka, Chairman, ₹ 13,00,000, Mr. P. K. Khaitan - ₹ 9,00,000 Mr. B. M. Khaitan - ₹ 10,00,000, Mr. C. K. Dhanuka - ₹ 12,00,000, Ms. R. Sethi - ₹ 6,00,000, Mr. K. Jairaj - ₹ 5,00,000 and Mr. P. Chaudhuri - ₹ 6,00,000

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 2015-16 at the rate of 3% of net profits, for the financial year 2014-15, calculated under the applicable provisions of the Companies Act, 2013. ₹ 2,369 lakh (net of service tax) has been paid to the Non-Executive Directors of the Company for the said year out of which a total sum of ₹ 45 lakhs 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 2015-16 is 2,750 lakh.

#### Remuneration of the Managing Director :

The remuneration of Mr. A. Basu, Managing Director, for the year in accordance with the Resolution passed by the shareholders at the Thirty-seventh Annual General Meeting held on 31 July 2015 was : Salary - ₹ 53.25 lakh, contribution to Pension and Provident Fund and Gratuity - ₹ 16.93 lakh, Estimated value of other benefits - ₹ 107.61 lakh, Variable pay payable for 2015-16 - ₹ 48.00 lakh. Total : ₹ 225.79 lakh. The Company's contract with Mr. Basu, valid till 27 May 2018, is terminable by either party upon six months' notice or salary in lieu thereof. Mr. Basu was the only executive on the Company's Board as on 31 March 2016.

#### Shares held by Non-Executive Directors :

As on 31 March 2016, Mr. S. Goenka, Chairman and Non-Executive Director held 2,58,498 equity shares of the Company. No other Non-Executive Director holds any equity shares in CESC. As on 31 March 2016, no convertible instrument of the Company as outstanding.

#### SUBSIDIARY COMPANIES

As on 31 March 2016, CESC had thirty five subsidiaries. CESC Infrastructure Limited is the only material subsidiary during the year. Mr. P. Chaudhuri, Independent Director of the Company is also a director of the said material subsidiary. 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](https://www.cesc.co.in/wp-content/uploads/policies/POLICY_ON_MATERIAL_SUBSIDIARIES.pdf)

#### MANAGEMENT

##### MANAGEMENT DISCUSSION AND ANALYSIS

This annual report has a detailed chapter on Management Discussion and Analysis.

##### DISCLOSURES BY MANAGEMENT TO THE BOARD

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

## DISCLOSURE OF ACCOUNTING CONVENTION IN PREPARATION OF FINANCIAL STATEMENTS

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

## CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SEBI regulation on prevention of insider trading, the Company has in place a comprehensive code of conduct for its Directors and Senior Management Officers. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company. The code clearly specifies, among other matters, that Directors and specified employees of the Company can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, as per the Code.

Two new sets of codes - Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to regulate, monitor and report trading by Insiders - have been adopted by the Board during the year, in supersession of the earlier ones, in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

Company Secretary, is the Compliance Officer who also acts as the Chief Investor Relations Officer.

## RELATED PARTY TRANSACTIONS

Details of transactions of a material nature with any of the related parties as specified in Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India are disclosed in Note 38(b) to the financial statements for the year 2015-16. There has been no transaction of a material nature 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](https://www.cesc.co.in/wp-content/uploads/policies/RELATED_PARTIES_POLICY.pdf)

## WHISTLE BLOWER POLICY

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

## ANTI SEXUAL HARASSMENT POLICY

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

## CEO/CFO CERTIFICATION

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

## SHAREHOLDERS

### APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

Mr. S. Goenka retires at the end of this year's Annual General Meeting, and being eligible, offers himself for re-appointment.

MR SANJIV GOENKA, 55 years of age is a renowned industrialist. He is a commerce graduate and Chairman of RP-Sanjiv Goenka Group having an asset base of over ₹ 31,000 crore, more than 50,000 employees, over three lakh shareholders and annual revenue of around 15,000 crore. The Group's businesses spanning across six sectors - power & natural resources, carbon black, retail, media & entertainment, infrastructure and IT & education - include flagship companies such as CESC Limited, Firstsource Solutions Ltd, Phillips Carbon Black Limited and Saregama India Limited. He is on the Board of CESC since 1989. He is the Chairman of Stakeholders Relationship Committee, CSR Committee and member of Audit Committee of the Company.

<b>Other Directorships</b>	Mr. Goenka is Chairman of Phillips Carbon Black Limited, Saregama India Limited (also member of Stakeholders' Relationship Committee), Spencer International Hotels Limited, Spencer and Company Limited, Firstsource Solutions Limited and Woodlands Multispeciality Hospital Limited. He is also on the Board of Eveready Industries India Limited (also member of Remuneration Committee).
<b>Number of shares held in the Company</b>	258,498

## COMMUNICATION TO SHAREHOLDERS

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

During the year, the Company's quarterly/half-yearly/yearly results have been published in leading English and Bengali newspapers 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 33 to the financial statements for the year 2015-16.

## 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
2012-13	26 July 2013	10:30 A.M.	CITY CENTRE, Royal Bengal Room, DC Block, Sector I, Salt Lake, Kolkata 700064	Three
2013-14	30 July 2014	10:30 A.M.	CITY CENTRE, Royal Bengal Room, DC Block, Sector I, Salt Lake, Kolkata 700064	Two
2014-15	31 July 2015	10:30 A.M.	CITY CENTRE, Royal Bengal Room, DC Block, Sector I, Salt Lake, Kolkata 700064	One

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 is no audit qualification in the financial statements of the Company. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

### 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 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 the Listing Regulations. The certificate is annexed to this report.

On behalf of the Board of Directors

Sanjiv Goenka  
Chairman

Kolkata, 19 May 2016

## Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of CESC Limited

We have examined the compliance of conditions of Corporate Governance by CESC Limited, for the year ended March 31, 2016 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

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

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

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Date: 19 May, 2016

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

Sougata Mukherjee  
Partner  
Membership No : 057084

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

### ANNUAL GENERAL MEETING

Date :	22 July 2016
Time :	10.30 A.M.
Venue :	Rangmanch, Swabhumi 89C , Moulana Abul Kalam Azad Sarani, Kolkata- 700 054

**FINANCIAL CALENDAR** : 1 April to 31 March.

**For the year ended 31 March 2016, results were announced on :**

First quarter	: 31 July 2015
Second quarter	: 14 November 2015
Third quarter	: 9 February 2016
Fourth quarter and annual	: 19 May 2016

**For the year ended 31 March 2017, results will be announced by :**

First quarter	Within 14 August 2016
Second quarter	Within 14 November 2016
Third quarter	Within 14 February 2017
Fourth quarter and annual	Within 30 May 2017

### BOOK CLOSURE

The Register of Members will be closed from 15 July 2016 to 22 July 2016 (both days inclusive) as annual closure for the Annual General Meeting.

### DIVIDEND DATE

The Board in its meeting held on 11 March, 2016 declared an interim dividend of ₹ 10 per equity share. The said interim dividend was paid on and from 22 March 2016.

### 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

CALCUTTA STOCK EXCHANGE	: PHYSICAL: 34; DEMAT : 10000034
BOMBAY STOCK EXCHANGE	: PHYSICAL: 84; DEMAT : 500084
NATIONAL STOCK EXCHANGE	: 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 2015-16.



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

Month	Bombay Stock Exchange Limited (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2015	622.30	525.25	622.45	525.00
May, 2015	604.35	517.75	604.50	517.45
June, 2015	571.45	505.25	572.40	505.00
July, 2015	623.65	536.00	624.30	536.00
August, 2015	609.00	452.00	609.95	482.20
September, 2015	552.50	479.20	552.30	477.85
October, 2015	612.00	517.00	612.00	516.20
November, 2015	591.00	515.50	591.70	514.50
December, 2015	577.10	494.70	577.00	494.45
January, 2016	526.20	427.30	526.50	426.80
February, 2016	456.85	404.75	458.20	404.55
March, 2016	485.65	438.90	486.00	438.00

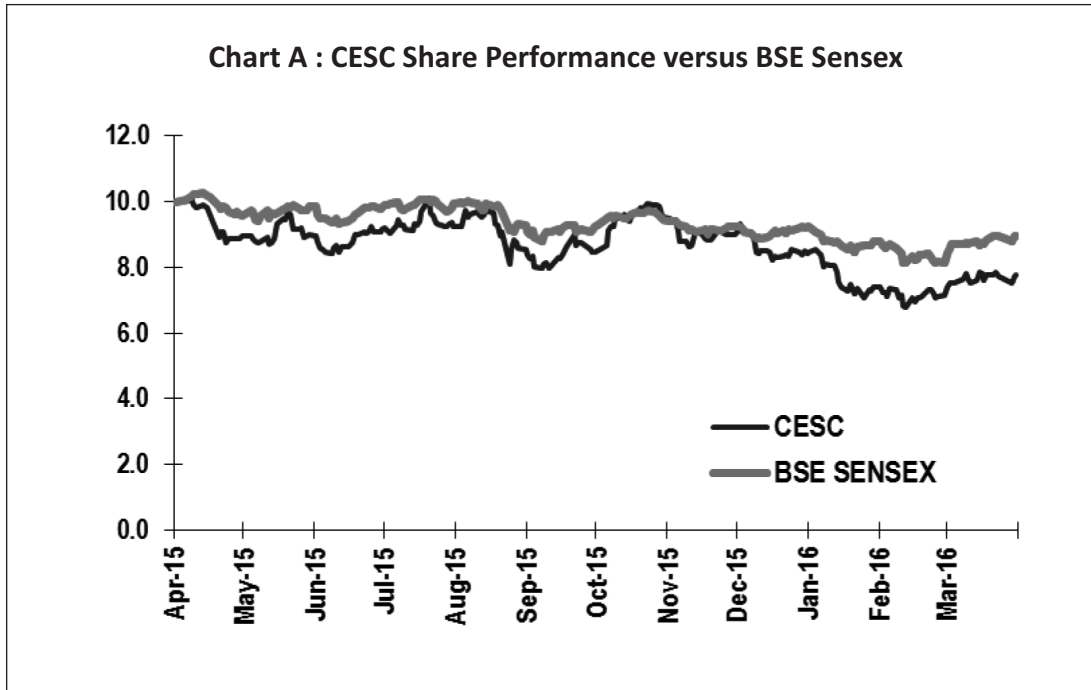
\* There was no trading in the shares of the Company at CSE during the year.

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 2015-16.

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

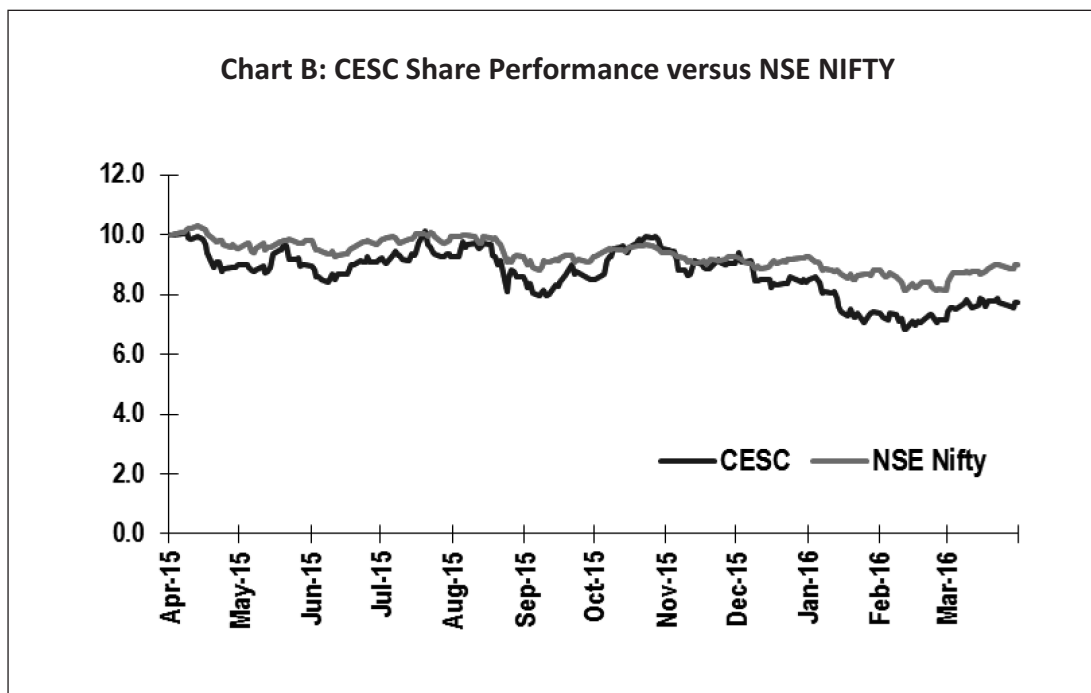
As at close of last trading day for each month	CESC's Closing Price on NSE (₹)	NSE Nifty	BSE Sensex	BSE 500 Index	BSE Power Index
April, 2015	547.90	8181.50	27011.31	10696.83	2095.16
May, 2015	548.20	8433.65	27828.44	11023.76	2069.81
June, 2015	558.75	8368.50	27780.83	10903.53	2022.14
July, 2015	565.25	8532.85	28114.56	11233.42	2064.56
August, 2015	523.95	7971.30	26283.09	10536.38	1834.40
September, 2015	516.85	7948.90	26154.83	10498.27	1841.70
October, 2015	581.40	8065.80	26656.83	10671.58	1917.11
November, 2015	550.50	7935.25	26145.67	10580.88	1901.85
December, 2015	513.60	7946.35	26117.54	10634.22	1957.68
January, 2016	452.30	7563.55	24870.69	10014.03	1838.42
February, 2016	437.20	6987.05	23002.00	9206.02	1582.48
March, 2016	472.70	7738.40	25341.86	10185.12	1775.73

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



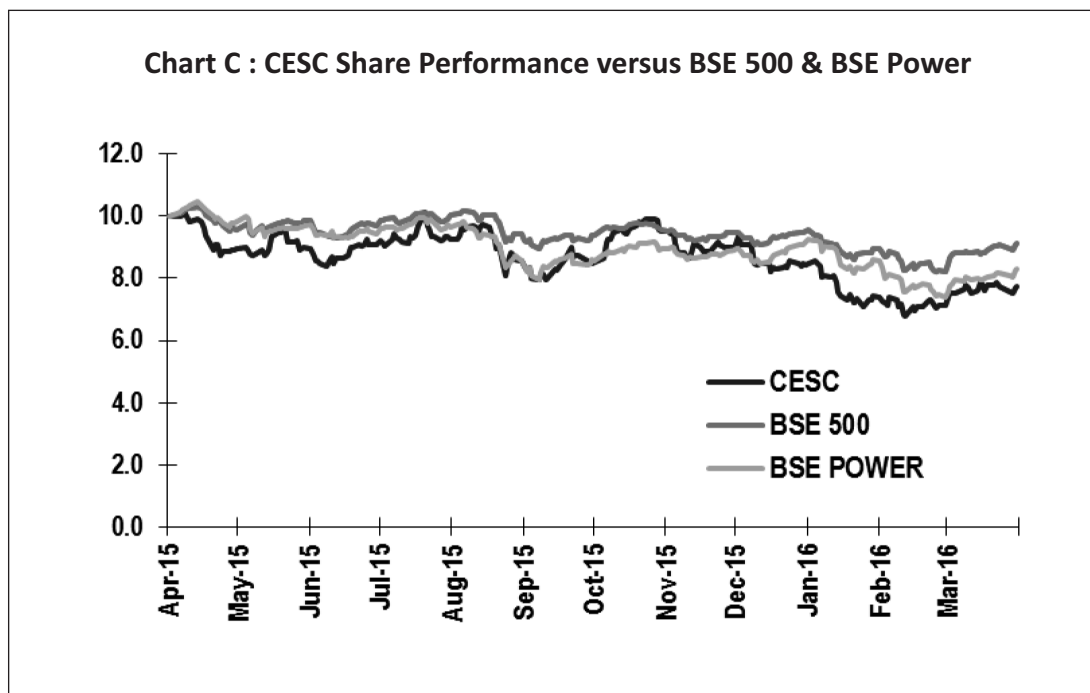
Note: Share price of CESC and BSE Sensex have been indexed to 100 on 1 April 2015.

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



Note: Share price of CESC and NSE NIFTY have been indexed to 100 on 1 April 2015

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



Note: Share price of CESC, BSE 500 and BSE Power have been indexed to 100 on 1 April 20145

#### 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](mailto:kolkata@linkintime.co.in)  
Website : [www.linkintime.co.in](http://www.linkintime.co.in)

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

Secretarial Department  
CESC Limited  
CESC House  
Chowringhee Square  
Kolkata - 700 001  
Tel No. : 2204 0754  
Fax No. : 2236 3868  
E-mail : [secretarial@rp-sg.in](mailto:secretarial@rp-sg.in)

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

In compliance with the SEBI circular dated 27 December, 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, CESC has established direct connection 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 the 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 2016, dematerialised shares accounted for 95.43% of total equity. Outstanding global depository receipts as on the said date was 37,260. There is no subsisting court order in legal proceedings against CESC in any share transfer matter.

Table 3 gives details of the number and nature of complaints for the year 2015-16

**Table 3 : Number and Nature of Complaints**

Particulars	Complaints				
	Non-Receipt of Certificates	Change of address	Non-Receipt of Dividend	Others -Non-Receipt of Annual Reports/ Non-Receipt of Demat Credit etc.)	Total
Received during the year	6	–	3	5	14
Attending during the year	6	–	3	5	14
Pending as on 31, March, 2016	NIL	NIL	Nil	Nil	Nil

## SHAREHOLDING PATTERN

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

**Table 4 : Pattern of shareholding by ownership as on 31 March 2016**

Category	As on 31 March 2016	
	Total No. of shares	Percentage
<b>1. Management Group / Families</b>	<b>66,172,309</b>	<b>49.92</b>
<b>2. Institutional Investors</b>		
a. Mutual Funds and UTI	22,760,677	17.17
b. Banks, Financial Institutions, Insurance Companies	2,425,641	1.83
c. FIs	29,845,686	22.52
<b>Total</b>	<b>55,032,004</b>	<b>41.52</b>
<b>3. Others</b>		
a. Private Corporate Bodies	5,109,220	3.85
b. Indian Public	4,930,219	3.72
c. NRIs/OCBs	1,313,291	0.99
d. Directors & Relatives (not in control of the Company)	–	–
<b>Total</b>	<b>11,352,730</b>	<b>8.56</b>
<b>Grand Total</b>	<b>132,557,043</b>	<b>100.00</b>

**Table 5 : Pattern of shareholding by share class as on 31 March 2016**

Shareholding Class	No. of shareholders	No. of shares held	Shareholding %
Upto 2,500	41,693	4,566,463	3.44
2,501 to 5,000	170	606,341	0.46
5,001 to 10,000	88	649,865	0.49
10,001 to 20,000	49	708,750	0.53
20,001 to 30,000	30	746,471	0.56
30,001 to 40,000	16	565,236	0.43
40,001 to 50,000	10	431,521	0.33
50,001 to 100,000	36	2,564,705	1.94
100,001 and above	95	121,717,691	91.82
Total	42,187	132,557,043	100.00

#### PLANT LOCATIONS

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

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

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

**Table 6 : The dates of payment, the due dates for credit to IEPF and the amounts**

Year	Date of payment	Due date for credit to IEPF	Amount lying unpaid/unclaimed as on 31 March 2016 (₹)
2008-09	27 July 2009	26 August 2016	24,32,061.00
2009-10	1 August 2010	26 August 2017	21,20,787.00
2010-11	1 August 2011	30 August 2018	18,17,240.00
2011-12	1 August 2012	30 August 2019	32,25,651.00
2012-13	29 July, 2013	28 August, 2020	34,55,184.00
2013-14	1 August, 2014	30 August, 2021	38,20,960.00
2014-15	4 August, 2015	3 September, 2022	51,98,620.94

During the year, an amount of ₹ 21,41,573/- was transferred to IEPF on 28 August, 2015. In terms of the shares issued by the Company in physical form, the certificates of which are lying unclaimed, the Company has issued three reminders to their holders. These shares will be transferred into one folio in the name of "Unclaimed Suspense Account" in due course.

On behalf of the Board of Directors

Sanjiv Goenka  
Chairman

Kolkata, 19 May 2016

#### DECLARATION

As required under the relevant provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, it is confirmed that all Directors and Senior Management Officers have affirmed compliance of the Code of Business Conduct and Ethics during the year 2015-16.

Aniruddha Basu  
Managing Director

Kolkata, 19 May 2016

# Annual Report on Corporate Social Responsibility Activities

undertaken during the year ended 31 March 2016 (Annexure 'D' to 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 seeks to impact the lives of the disadvantaged by supporting and engaging in activities aimed at:

- (a) Provision of access to basic healthcare services/ facilities, safe drinking water and sanitation and conducting health awareness camps;
- (b) Empowerment of the disadvantaged sections of the society through promoting inclusive education for all, as well as through livelihood generation and skill development;
- (c) Supporting environmental and ecological balance through energy conservation, adoption of initiatives resulting into Greenhouse Gas Emissions (GHG) reduction and transformation into low carbon business practices;
- (d) Undertaking livelihood generation / promotion and women empowerment projects;
- (e) Undertaking / supporting sports activities and programmes of art and culture in various forms;
- (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](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 with Mr. B.M. Khaitan, Independent Director and Mr. A. Basu, Managing Director as its members.

3. Average net profit for the last three financial years: Rs 826.57 Crores

4. Prescribed CSR Expenditure (two percent of the above amount as in item 3 above) is Rs. 16.53 Crores.

5. (a) Total amount to be spent for the financial year 2015-16 is Rs. 16.53 Crores.

(b) Unspent amount for financial year 2015-16 is Nil.

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

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Sub-heads; 1) Direct expenditure on projects or programs. 2) Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency
1.	Urja Chetana (Environment and Energy Education Programme)	Environment	Kolkata, Hooghly, North and South 24 Parganas, West Bengal	22,58,860	(1) 22,21,816 (Direct)	32,60,749	Through Implementing Agency (Centre for Environment Education)
2.	City Greening Project (Maintenance of plants on certain roads of Kolkata)	Environment	Kolkata, West Bengal	28,70,000	(1) 28,67,000 (Direct)	57,34,000	Through Implementing Agency (The Kolkata Municipal Corporation)
3.	Muktangan (Remedial Education Programme)	Education	Titagarh (North 24 Parganas) and Budge Budge (South 24 Parganas), West Bengal	22,20,600	(1) 13,10,167 (Direct) (2) 13,388 (Overhead)	31,83,558	Through Implementing Agency (Narayantala Mass Communication Society and Hope Kolkata Foundation)
4.	Nirmal Abhiyan (WASH in Schools Programme)	Education	Kolkata, West Bengal	29,08,400	(1) 14,78,963 (Direct)	44,18,713	Through Implementing Agency (City Level Programme of Action on Street and Working Children)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 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.	Library Programme	Education	(South 24 Parganas), West Bengal	40,000	40,000 (Direct)	2,90,000	Direct
6.	Roshni	Education	Kolkata, West Bengal	9,47,520	8,65,580 (Direct)	8,65,580	Through Implementing Agency (Child in Need Institute)
7.	School Build Programme i) Antaranga School	Education	Budge Budge (South 24 Parganas), West Bengal	2,00,000	1,99,222 (Direct)	1,99,222	Direct
	ii) Provision of Benches to Bidhan Chandra FP School and Rajibpur High School	Education	Budge Budge (South 24 Parganas), West Bengal	2,10,000	2,07,245 (Direct)	4,40,848	Direct
	iii) Civil and Electrical Repair Work at Pujali Raghunathpur Junior High School and Pujali Rajarampur Prathamik Vidyalaya	Education	Budge Budge (South 24 Parganas), West Bengal	50,000	42,361 (Direct)	65,341	Direct
	iv) Playground Development at Kalipur Boys' High School	Education	Budge Budge (South 24 Parganas), West Bengal	3,00,000	3,03,468 (Direct)	3,03,468	Direct
	v) Provision of benches to Rajibpur High School	Education	Budge Budge (South 24 Parganas), West Bengal	1,80,000	1,71,292 (Direct)	1,71,292	Direct
	vi) Infrastructure development work at Titagarh Anjuman Gharibul Muslemeen High School	Education	North 24 Parganas, West Bengal	3,20,000	(1) 3,22,825 (Direct) (2) 1,800 (Overhead)	3,24,625	Direct
8.	Development of Neo-Natal Care Unit at Titagarh Municipal Hospital	Health	Titagarh (North 24 Parganas), West Bengal	7,00,000	5,77,612 (Direct)	5,77,612	Direct
9.	Hamari Sehat (Maternal and Child Health Project)	Health	Garden Reach (Kolkata), West Bengal	8,00,866	6,14,021 (Direct)	13,23,496	Through Implementing Agency (City Level Programme of Action on Street and Working Children)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 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
10.	Suswasthya (Community Health Project)	Health	Kamarhati (North 24 Parganas), Bhadreswar and Champdani (Hooghly), West Bengal	15,14,200	15,56,850 (Direct)	23,56,600	Through Implementing Agency (Association for Social and Health Advancement and City Level Programme of Action on Street and Working Children)
11.	Nirmal Sankalp (Community Water and Sanitation Programme)	Community Development	Titagarh (North 24 Parganas), West Bengal	50,00,040	44,84,352 (Direct)	60,12,452	Through Implementing Agency (Water for People India Trust)
12.	Construction of Grill Fencing	Community Development	Budge Budge, South 24 Parganas, West Bengal	2,00,000	2,03,147 (Direct)	2,03,147	Direct
13.	CESC-DRF LABS Programme (Setting up of Computer aided Science and Maths Labs)	Community Development	Howrah, West Bengal	19,74,600	18,14,655 (Direct)	26,44,070	Through Implementing Agency (Dr. Reddys' Foundation)
14.	Setting up of an institution of excellence	Sector permitted by Schedule - VII to the Companies Act, 2013	Kolkata, West Bengal	14,57,00,000	14,57,00,000	26,67,10,000	RP Sanjiv Goenka CSR Trust
15.	CSR Workshop, Partners Meet and Training Programme	Training and Development	Kolkata, West Bengal	40,000	35,262 (Overheads)	35,262	Direct
16.	Perception Study	Documentation	All Project areas	95,000	94,000 (Direct)	94,000	Through Implementing Agency (Child in Need Institute)
17.	Improvement of Road through Industrial Estate in Pujali Municipality	Community Development	Pujali, South 24 Parganas, West Bengal	7,60,000	7,54,380 (Direct)	7,54,380	Direct
			<b>Total</b>	<b>16,92,90,086</b>	<b>16,58,79,406</b>	<b>29,99,68,415</b>	

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for net spending the amount in its Board report : Not Applicable
7. Responsibility Statement : It is stated that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Kolkata, 19 May 2016

Aniruddha Basu  
 Managing Director and Member, CSR Committee

Sanjiv Goenka  
 Chairman, CSR Committee



Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED - 31.03.2016

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

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

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors' Report on Financial Statements and Certificate on compliance of conditions of Corporate Governance and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has, during the audit period covering the financial year ended on 31.03.2016 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 31.03.2016 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 which came into effect from 01.07.2015;
- ii. The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited which were applicable upto 30.11.2015 and thereafter, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from 01.12.2015.

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 has formed along with other companies of its group, a Trust known as RP -Sanjiv Goenka Group CSR Trust which was registered on 17th February, 2015 with the Additional Registrar of Assurance, Kolkata. A sum of ₹ 14.57 crores was contributed to the Trust towards CSR activities during the year. Total amount required to be spent by the Company on CSR was ₹ 16.53 crores and this full amount was spent during the year under 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 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 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.
- (ii) The Factories Act, 1948.
- (iii) The Payment of Bonus Act, 1965.
- (iv) The Industrial Disputes Act, 1947.
- (v) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- (vi) The Employees' State Insurance Act, 1948.

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

1. As regards Coal Block, the Company has reported that the additional levy amounting to ₹ 998 crore paid to the account of the Central Government, in terms of the provisions of the Coal Mines (Special Provisions) Ordinance, 2014, read with the Coal Mines (Special Provisions) Rules, 2014 framed thereunder, Coal Mines (Special Provisions) Second Ordinance, 2014 and Coal Mines (Special Provisions) Act, 2015, relating to the output of Sarisatolli Coal block for meeting part of the Company's coal requirement since inception to 31 March, 2015, has been considered as recoverable (accounted for in the year ended 31st March, 2015 as exceptional item and partly fuel cost) by way of tariff in terms of the applicable laws / regulations, for which appropriate reference has been made to West Bengal Electricity Regulatory Commission, and being pursued by the management, the nature of payment being in the form of levy and given the facts and circumstances of the incidence thereof.
2. Omnipresent Retail India Private Limited and New Rising Promoters Private Limited became subsidiaries of the Company during the year.
3. At the Annual General Meeting of the Company held on 31.07.2015 a Special Resolution was passed by the members of the Company inter-alia according consent to mortgage, charge and/or otherwise encumber (A) 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 Citibank NA (CITI) for a term loan of ₹ 137.50 Crore, ICICI Bank Ltd. (ICICI) for two term loans aggregating to ₹ 500 Crore, Punjab and Sind Bank for a term loan of ₹ 145 Crore, Union Bank of India for a term loan of ₹ 175 Crore and Axis Bank Limited, Bank of Baroda, CITI, IDBI Bank Limited, Punjab National Bank, Standard Chartered Bank and State Bank of India for their incremental share of different amounts in the working capital facility extended to the Company by a consortium of working capital bankers and (B) immovable and movable fixed assets of the Company pertaining to Sarisatolli Coal Block in favour of ICICI for a performance and financial Bank guarantee of upto ₹ 170 Crore as fully described in the said Resolution.

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 : 19 May 2016

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

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

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



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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these 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 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 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 : 19 May 2016

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

Particulars relating to Conservation of Energy, Technology Absorption etc. for the year ended 31 March 2016.

**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 shunts capacitor banks at various voltage levels of T&D Network. The focus this year was on distributed capacitors in the LT network - 2.5 MVAR was added.
  2. Standardization to higher rated UG cables, 1000 mm<sup>2</sup> at 33 kV & 300 mm<sup>2</sup> at 6/11 kV Distribution Network as an ongoing process.
  3. Continued augmentation of Substation plant capacity and laying new underground and overhead lines.
  4. Induction of energy efficient Distribution Transformers with low losses by including Loss Capitalization as a bid evaluation criterion as an ongoing process.
  5. Replacement of over 98,533 old electromechanical meters.
  6. Installing 6200 Modified Pillar Boxes with HRC fuses.

**B. Additional investment/proposals**

1. During the year, several major plant & equipment and lines were commissioned. These include :
  - a. 150 MVA Patuli Substation with 2x75 MVA, 132/33/11-6 kV Transformers.
  - b. The 220 kV underground circuit connecting EM Substation to Princep Street Substation was energized at 132 kV.
  - c. Augmentation of 50 MVA, 132/33 kV Transformer No. 2 at Botanical Garden Substation by a 100 MVA Unit-Cooled Transformer. The 50 MVA, 132/ 33 kV Transformer No. 3 at East Kolkata Substation was replaced by a 75 MVA Transformer. The installed capacity of 220/132/33 kV Substations stand at 1120 MVA and that of 132/33 kV Substations at 2757 MVA at end of financial year 2015-16.
  - d. At the 33/11-6 kV Distribution Station level, 187.5 MVA of capacity was added taking the total installed base to 3642 MVA across 113 Stations.
  - e. 133 Nos Distribution Transformers (DTs) aggregating 54.2 MVA were added during the year taking the installed base to 8039 DTs and 2704 MVA.
  - f. Commissioning of 27 panels 132 kV and 85 panels 33 kV Gas Insulated Switchgear.
  - g. Lengths of lines added at different voltage levels were: 5.2ckm at 220 kV, 6.2ckm at 132 kV, 48ckm at 33 kV, 135ckm at 11 & 6 kV and 272ckm of LT lines. The overall

lengths of lines at the different voltages at the end of the financial year are shown in the Major Statistics attached with this Report.

2. 132 kV and 33 kV Gas Insulated Switchgear were installed and commissioned underground (at the basement of Quest Mall in Park Circus) - a unique feat in India by a Discom.
3. Major investments planned in financial year 2016-17 include :
  - a. The 220 kV grade underground cable is to be extended to New Cossipore Substation thereby providing an EHV power corridor through the city to facilitate transmission of Haldia power to load centres.
  - b. A 132 kV link cable connecting Jadavpore and Patuli Substations is proposed for redundancy across these 2 Substations with EM Substation.
  - c. Work will commence to convert the 132 kV Princep Street Substation to a 220 kV Substation with capacity augmentation from 250 MVA to 350 MVA to meet load growth. This will become CESC's 3rd 220 kV Substation.
  - d. Initial work will commence on new 220 kV Rashbehari and Joka Substations. Conversion of Majerhat Substation from Outdoor Yard to Indoor GIS will commence shortly.
  - e. Apart from above, routine network expansion, capacity augmentation, adding redundancy for reliability and loss reduction, replacement of old assets etc are to be continue.

**Impact of the measures**

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

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

**C. Technology Absorption**

**DISTRIBUTION AUTOMATION**

1. Multiple RF Mesh Technology Trials for Advanced Metering Infrastructure (AMI) and Distribution Automation (DA) from different Vendors have been carried out. The results are quite encouraging. A larger pilot is planned in financial year 2016-17.
2. 1.5 MW pilot for Auto Demand Response Solution is under deployment involving 5 HT consumers. The solution involves

both Advanced Distribution Management System (ADSM) and Distributed Energy Resources (DER). Demand Response is an identified method for reducing peak demand and in a larger scale can defer Capex spends.

3. Venturing possibility of dark fibre leasing / renting of space for erection of tower etc. to telecom companies / Infrastructure providers through Business Process Reengineering. Renowned Consultant has been engaged for the purpose.
4. Demand Side Management (DSM) by utilizing Consumer Diesel Generator sets during peak load period / on crisis - a pilot project has been initiated.
5. FSHMS (Fire & Safety Health Monitoring system) has been commissioned for 17 Substations. This will facilitate early information of failures in Fire & Safety systems, over SMS and e-mail to Disaster Management group.
6. In financial year 2015-16, 226 Nos Ring Main Units (RMUs)

were Automated (overall 434 Nos automated till financial year 2016 end), 30 Nos Distribution Stations were Automated in financial year 2015-16 bringing the overall number of such Stations under Supervisory Control & Data Acquisition (SCADA) to 100.

7. Special initiatives in LT Automation for better customer service and improvement in operational efficiency have been initiated on trial basis.

#### **Research & Development**

R&D activities were oriented towards improvement in various operational functions and to achieve cost reduction.

#### **D FOREIGN EXCHANGE EARNINGS AND OUTGO**

There has been no foreign exchange earnings (previous year - ₹ 0.05 crore) during the year. The total foreign exchange outgo was ₹ 82.59 crore (previous year - ₹ 138.08 crore).

For and on behalf of the Board of Directors

Sanjiv Goenka  
Chairman

Kolkata, 19 May 2016

# Extract of Annual Return (Annexure 'G' to Directors' Report)

Form No. MGT-9  
**EXTRACT OF ANNUAL RETURN**  
**AS OF THE FINANCIAL YEAR ENDED ON MARCH 31, 2016**

[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	L31901WB1978PLCO31411
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 - 700001 Tel: +91 22256040 Fax: +91 22363868
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 59C, Chowringhee Road 3rd Floor, Kolkata 700001 Tel: + 91 22890540 Fax: +91 22890539
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY		
All the business activities contributing 10% or more of the total turnover of the company		As per Attachment A
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES		
		As per Attachment B
IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)		
i)	Category-wise Share Holding	As per Attachment C
ii)	Shareholding of Promoters	As per Attachment D
iii)	Change in Promoters' Shareholding	As per Attachment E
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment G
V. INDEBTEDNESS		
Indebtedness of the Company including interest outstanding/accrued but not due for payment		As per Attachment H
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment I
B.	Remuneration to other directors	As per Attachment J
C.	Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	As per Attachment K
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES		
		As per Attachment L

## ATTACHMENT - A

### 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 products/services*	% to total turnover of the Company#
1.	Generation and Distribution of Electricity	40102	100%

\* As per National Industrial Classification - Ministry of Statistics and Programme Implementation

# On the basis of Gross Turnover

**ATTACHMENT - B**
**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name of the Company	Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Spencer's Retail Limited (SRL)	Duncan House 31 Netaji Subhas Road Kolkata -700001	U51229WB2000PLC154278	Subsidiary	100.00	2(87)
2	Music World Retail Limited (100% subsidiary of SRL)	Duncan House 31 Netaji Subhas Road Kolkata -700001	U15411WB2008PLC124063	Subsidiary	100.00	2(87)
3	Au Bon Pain Café India Limited (91.53% subsidiary of SRL)	Duncan House 31 Netaji Subhas Road Kolkata -700001	U15411WB2008PLC124062	Subsidiary	91.53	2(87)
4	Quest Properties India Ltd. (QPL) (Formerly known as CESC Properties Limited)	CESC House , Chowringhee Square Kolkata 700 001	U70101WB2006PLC108175	Subsidiary	100.00	2(87)
5	Metromark Green Commodities Private Limited (100% subsidiary of QPL)	Jela Dhulagori Sankrail Station Road J L No. 2, Howrah 7111302	U51221WB2004PTC098581	Subsidiary	100.00	2(87)
6	CESC Infrastructure Limited (CIL)	CESC House Chowringhee Square Kolkata 700 001	U70101WB2011PLC159584	Subsidiary	100.00	2(87)
7	Haldia Energy Limited (HEL) (100% subsidiary of CIL)	Barick Bhawan 8 C R Avenue, Kolkata 700072	U74210WB1994PLC066154	Subsidiary	100.00	2(87)
8	Dhariwal Infrastructure Limited (DIL) (100% subsidiary of CIL)	CESC House Chowringhee Square Kolkata 700 001	U70109WB2006PLC111457	Subsidiary	100.00	2(87)
9	Surya Vidyut Limited (SVL)	CESC House Chowringhee Square Kolkata 700 001	U40108WB2010PLC150712	Subsidiary	100.00	2(87)
10	Nalanda Power Company Limited	6 Church Lane Kolkata 700001	U40104WB2008PLC125228	Subsidiary	100.00	2(87)
11	CESC Projects Limited	CESC House Chowringhee Square Kolkata 700 001	U74999WB2011PLC163658	Subsidiary	100.00	2(87)
12	Bantal Singapore Pte Ltd.	38 Beach Road # 29-11 South Beach Tower Singapore - 189767	Foreign Company	Subsidiary	100.00	2(87)
13	Pachi Hydropower Projects Limited	605-606 Bhikaji Cama Bhawan 11 Bhikaji Cama place, 6 Floor New Delhi 110066	U40109DL2007PLC171032	Subsidiary	100.00	2(87)
14	Papu Hydropower Projects Limited	605-606 Bhikaji Cama Bhawan 11 Bhikaji Cama place, 6 Floor New Delhi 110066	U40109DL2007PLC171035	Subsidiary	100.00	2(87)
15	Ranchi Power Distribution Company Limited	Barick Bhawan 8 C R Avenue, Kolkata 700072	U40102WB2012PLC188244	Subsidiary	100.00	2(87)
16	Spn Liq Private Limited (SLPL)	Duncan House 31 Netaji Subhas Road Kolkata -700001	U72900WB1995PTC075089	Subsidiary	100.00	2(87)
17	Firstsource Sololutions Limited (FSL)	5th Floor Paradigm B'wing, Mindspace Link Road Malad (West) Mumbai 400064	L64202MH2001PLC134147	Subsidiary	55.54	2(87)



Sl. No.	Name of the Company	Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
18	Firstsource Group USA, Inc. (100% subsidiary of FSL)	160 Greentree Drive, Dover Delaware 19904, USA	Foreign Company	Subsidiary	55.54	2(87)
19	Firstsource BPO Ireland Ltd. (100% subsidiary of FSL)	Stokes Place Saint Stephen's Green Dublin 2, Ireland	Foreign Company	Subsidiary	55.54	2(87)
20	Firstsource Solutions UK Ltd. (100% subsidiary of FSL)	Space One, 1 Beadon Road London W6 0EA, UK	Foreign Company	Subsidiary	55.54	2(87)
21	Firstsource Process Management Services Limited (Formerly known as Anunta Tech Infrastructure Services Ltd. (100% subsidiary of FSL)	3rd Floor, Block 5A & 5B Pritech Park - SEZ, Marathalli Sarjapur Outer Ring Road Bellandur, Bangalore- 560103 Karnataka	U72200KA2010PLC055713	Subsidiary	55.54	2(87)
22	Firstsource Dialog Solutions Pvt. Ltd. (74% subsidiary of FSL)	No. 234, Vauxhall Street Colombo-2, Sri Lanka	Foreign Company	Subsidiary	41.10	2(87)
23	Firstsource Business Process Services, LLC (100% subsidiary of FG USA)	160 Greentree Drive, Dover Delaware 19904, USA	Foreign Company	Subsidiary	55.54	2(87)
24	Firstsource Solutions USA, LLC (100% subsidiary of MH Inc.)	160 Greentree Drive, Suit 101, Dover, County of Kent, Delaware 19904, USA	Foreign Company	Subsidiary	55.54	2(87)
25	Firstsource Advantage, LLC (100% subsidiary of FBPS)	C T Corporation System 111 Eighth Avenue USA, New York 10011	Foreign Company	Subsidiary	55.54	2(87)
26	Firstsource Transaction Services, LLC (100% subsidiary of FS USA)	1661 Lyndon Farm Court, Louisville, Kentucky 40223, USA	Foreign Company	Subsidiary	55.54	2(87)
27	Firstsource Solutions S.A. (99.98% subsidiary of FS UK)	San Martin 344, 4th Floor Buenos Aires, Argentina	Foreign Company	Subsidiary	55.53	2(87)
28	Med Assit Holding LLC (100% subsidiary of FG USA)	9 East Loockerman, Suite 1B Dover, Delaware, County of Kent 19901, USA	Foreign Company	Subsidiary	55.54	2(87)
29	One Advantage LLC (100% subsidiary of FBPS)	C T Corporation System 208 SO Lasalle St, Suite 814 Chicago, IL 60604, USA	Foreign Company	Subsidiary	55.54	2(87)
30	Crescent Power Limited	6 Church Lane, Kolkata 700001	U70101WB2004PLC099945	Subsidiary	67.83	2(87)
31	Sheesham Commercial Private Limited	Duncan House 31 Netaji Subhas Road Kolkata -700001	U52190WB2012PTC181283	Subsidiary	100.00	2(87)
32	Water Hyacinth Commosale Private Limited	Duncan House 31 Netaji Subhas Road Kolkata -700001	U52190WB2012PTC181372	Subsidiary	100.00	2(87)
33	Wigeon Commotrade Private Limited	Duncan House 31 Netaji Subhas Road Kolkata -700001	U52190WB2012PTC181314	Subsidiary	100.00	2(87)
34	New Rising Promoters Private Limited (100% subsidiary of CPL)	31, Netaji Subhas Road Kolkata- 700001	U70109WB2010PTC156101	Subsidiary	67.83	2(87)
35	Omnipresent Retail India Private Limited( 100% subsidiary of SRL)	A-27/A, 1st Floor, Hauz Khas New Delhi 110016	U51909DL2011PTC218350	Subsidiary	100.00	2(87)
36	Mahuagarhi Coal Company Private Limited	Vidyakamal Niketan (Ground Floor) B/324 Road No . 4, Ashok Nagar Ranchi, Jharkhand - 834002	U10100JH2008PTC013086	Joint Venture	50.00	2(6)

**ATTACHMENT - C**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual / HUF	284222	–	284222	0.22	284222	–	284222	0.22	–
(b) Central Govt	–	–	–	–	–	–	–	0.00	–
(c) State Govt (s)	–	–	–	–	–	–	–	0.00	–
(d) Bodies Corp.	65329422	–	65329422	49.28	65888087	–	65888087	49.70	0.42
(e) Banks / FI	–	–	–	–	–	–	–	0.00	–
(f) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A) (1)</b>	<b>65613644</b>	<b>–</b>	<b>65613644</b>	<b>49.50</b>	<b>66172309</b>	<b>–</b>	<b>66172309</b>	<b>49.92</b>	<b>0.42</b>
<b>(2) Foreign</b>									
(a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
(b) Other - Individuals	–	–	–	–	–	–	–	–	–
(c) Bodies Corp.	–	–	–	–	–	–	–	–	–
(d) Banks / FI	–	–	–	–	–	–	–	–	–
(e) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>65613644</b>	<b>–</b>	<b>65613644</b>	<b>49.50</b>	<b>66172309</b>	<b>–</b>	<b>66172309</b>	<b>49.92</b>	<b>0.42</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	16772270	5740	16778010	12.66	22760677	5690	22766367	17.17	4.51
(b) Banks / FI	199810	17833	217643	0.16	396169	17648	413817	0.31	0.15
(c) Central Govt/ State Govt	–	–	–	–	–	–	–	–	–
	–	2152	2152	0	–	2152	2152	–	0
(d) Venture Capital Funds	–	–	–	–	–	–	–	–	–
(e) Insurance Companies	1736964	1100	1738064	1.31	2151354	1100	2152454	1.62	0.31
(f) FIs	31884533	8802	31893335	24.06	29836984	8702	29845686	22.52	-1.54
(g) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
(h) Qualified Foreign Investor	4718893	–	4718893	3.56	–	–	–	–	–
(i) Others	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(1)</b>	<b>55312470</b>	<b>35627</b>	<b>55348097</b>	<b>41.75</b>	<b>55139494</b>	<b>35292</b>	<b>55174786</b>	<b>41.62</b>	<b>-0.13</b>
<b>2. Non-Institutions</b>									
(a) Bodies Corporate									
(i) Indian	2641982	2859496	5501478	4.15	2524109	2853289	5377398	4.06	-0.09
(ii) Overseas	–	–	–	–	–	–	–	–	–
(b) Individuals	–	–	–	–	–	–	–	–	–
(i) Individual Shareholders holding nominal share capital up to ₹ 1 lakh	3607682	1415772	5023454	3.79	3674286	1383076	5057362	3.82	0.03

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>B. Public Shareholding</b>									
<b>2. Non-Institutions (Contd.)</b>									
(b) Individuals									
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	748227	268632	1016859	0.77	453145	268632	721777	0.54	-0.23
(c) Others (specify)									
(i) NRIs/OCBs	–	–	–	–	–	–	–	–	–
(ii) Clearing Members	–	–	–	–	–	–	–	–	–
(iii) Trust	–	–	–	–	–	–	–	–	–
(iv) Unclaimed Suspense Account (as per Clause 5A of the Listing Agreement)	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(2)</b>	6997891	4543900	11541791	8.71	6651540	4504997	11156537	8.42	-0.29
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	62310361	4579527	6889888	50.46	61791034	4540289	66331323	50.04	-0.42
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	37260	16251	53511	0.04	37260	16151	53411	0.04	–
<b>Grand Total (A+B+C)</b>	127961265	4595778	132557043	100.00	128000603	4556440	132557043	100.00	–

**ATTACHMENT - D**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year %			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Goodluck Dealcom Private Limited	1686198	1.27	-	1686198	1.27	-	-
2	Integrated Coal Mining Limited	760000	0.57	-	1075364	0.81	-	0.24
3	Rainbow Investments Limited	58553331	44.17	-	58796632	44.35	-	0.18
4	Saregama India Limited	1259988	0.95	-	1259988	0.95	-	-
5	Spencer and Co. Ltd	250000	0.19	-	250000	0.19	-	-
6	Stel Holdings Ltd	2493470	1.88	-	2493470	1.88	-	-
7	Zensar Technologies Limited	100	0.00	–	100	0.00	–	–
8	Avarna Goenka	501	0.00	–	501	0.00	–	–
9	Preeti Goenka	25223	0.02	–	25223	0.02	–	–
10	Sanjiv Goenka	258498	0.20	–	258498	0.20	–	–

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year %			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
11	Kolkata Metro Networks Limited	285000	0.22	–	285000	0.22	–	–
12	Dotex Merchandise Private Limited	41335	0.03	–	41335	0.03	–	–
	<b>Total</b>	<b>65613644</b>	<b>49.5</b>	<b>–</b>	<b>66172309</b>	<b>49.92</b>	<b>–</b>	<b>0.42</b>

**ATTACHMENT - E**

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

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year (As on 01.04.2015)		Cumulative Shareholding during the year (01.04.15 to 31.03.16)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	<b>65613644</b>	<b>49.50</b>	–	–
	Date wise Increase /Decrease in Promoters Shareholding during the Year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)				
	At the end of the year	<b>66172309</b>	<b>49.92</b>	<b>66172309</b>	<b>49.92*</b>

\*Note : The increase in % total shares of the company from 49.50% to 49.92% is due to purchase of shares.

Sl. No.		Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15)/ end of the year (31-03-16)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	GOODLUCK DEALCOM PRIVATE LIMITED	1686198	1.27	01.04.2015				
		1686198	1.27	31.03.2016			1686198	1.27
2.	INTEGRATED COAL MINING LIMITED	760000	0.57	01.04.2015	-	-	-	-
				17.04.2015	308264	Market Purchase	1068264	0.81
				24.04.2015	7100	Market Purchase	1075364	0.81
		1075364	0.81	31.03.2016	-	-	1075364	0.81
3.	RAINBOW INVESTMENTS LIMITED	58553331	44.17	01.04.2015	-	-	-	-
				10.04.2015	200953	Market Purchase	58754284	44.32
				17.04.2015	25592	Market Purchase	58779876	44.34
				24.04.2015	16756	Market Purchase	58796632	44.36
		58796632	44.36	31.03.2016			58796632	44.36
4.	SAREGAMA INDIA LIMITED	1259988	0.95	01.04.2015	-	-	-	-
		1259988	0.95	31.03.2016	-	-	1259988	0.95
5.	SPENCER AND CO. LTD	250000	0.19	1.04.2015				
		250000	0.19	31.03.2016			250000	0.19
6.	STEL HOLDINGS LTD	2493470	1.88	01.04.2015				
		2493470	1.88	31.03.2016			2493470	1.88
7.	ZENSAR TECHNOLOGIES LIMITED	100	-	01.04.2015			100	-
		100	-	31.03.2016			100	-
8.	KOLKATA METRO NETWORKS LIMITED	285000	0.22	31.03.2015			285000	0.22
		285000	0.22	31.03.2016			285000	0.22
9.	DOTEX MERCHANDISE PRIVATE LIMITED	41335	0.03	01.04.2015			41335	0.03
		41335	0.03	31.03.2016			41335	0.03
10.	AVARNA GOENKA	501	-	01.04.2015				
		501	-	31.03.2016			501	-
11.	PREETI GOENKA	25223	0.02	01.04.2015				
		25223	0.02	31.03.2016			25223	0.02
12.	SANJIV GOENKA	258498	0.20	01.04.2015				
		258498	0.20	31.03.2016			258498	0.20

**ATTACHMENT - F**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15)/ end of the year (31-03-16)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	HDFC TRUSTEE COMPANY LIMITED - HDFC EQUITY FUND	11205021	8.4530	01 Apr 2015	-	-	11205021	8.4530
				04 Dec 2015	29000	Market Purchase	11234021	8.4749
				31 Dec 2015	35000	Market Purchase	11269021	8.5013
				22 Jan 2016	640000	Market Purchase	11909021	8.9841
				31 Mar 2016	-	-	11909021	8.9841
2	NATIONAL WESTMINSTER BANK PLC AS DEPOSITARY OF M AND G GLOBAL EMERGING MARKETS FUND A SUB FUND OF M AND G INVESTMENT FUNDS 7	4690295	3.5383	01 Apr 2015	-	-	4690295	3.5383
				17 Apr 2015	519705	Market Purchase	5210000	3.9304
				24 Apr 2015	(90315)	Market sale	5119685	3.8623
				08 May 2015	290315	Market Purchase	5410000	4.0813
				22 May 2015	156178	Market Purchase	5566178	4.1991
				29 May 2015	144967	Market Purchase	5711145	4.3084
				12 Jun 2015	146899	Market Purchase	5858044	4.4193
				18 Sep 2015	101727	Market Purchase	5959771	4.4960
				25 Sep 2015	29935	Market Purchase	5989706	4.5186
				30 Sep 2015	3510	Market Purchase	5993216	4.5212
				29 Jan 2016	(271000)	Market sale	5722216	4.3168
				05 Feb 2016	(124934)	Market sale	5597282	4.2225
				12 Feb 2016	(107103)	Market sale	5490179	4.1417
				19 Feb 2016	(125337)	Market sale	5364842	4.0472
				26 Feb 2016	(40302)	Market sale	5324540	4.0168
				31 Mar 2016	-	-	5324540	4.0168
3	ICICI PRUDENTIAL INFRASTRUCTURE FUND	614273	0.4634	01 Apr 2015	-	-	614273	0.4634
				12 Jun 2015	181068	Market Purchase	795341	0.6000
				19 Jun 2015	128964	Market Purchase	924305	0.6973
				03 Jul 2015	21432	Market Purchase	945737	0.7135
				10 Jul 2015	5971	Market Purchase	951708	0.7180
				17 Jul 2015	67500	Market Purchase	1019208	0.7689
				31 Jul 2015	118731	Market Purchase	1137939	0.8585
				07 Aug 2015	25131	Market Purchase	1163070	0.8774
				28 Aug 2015	(15172)	Market sale	1147898	0.8660
				04 Sep 2015	80586	Market Purchase	1228484	0.9268
				11 Sep 2015	13237	Market Purchase	1241721	0.9367
				09 Oct 2015	46500	Market Purchase	1288221	0.9718
				13 Nov 2015	91955	Market Purchase	1380176	1.0412
				20 Nov 2015	107281	Market Purchase	1487457	1.1221
				27 Nov 2015	67584	Market Purchase	1555041	1.1731
				04 Dec 2015	217236	Market Purchase	1772277	1.3370
				11 Dec 2015	128499	Market Purchase	1900776	1.4339
				18 Dec 2015	264602	Market Purchase	2165378	1.6335
				25 Dec 2015	412428	Market Purchase	2577806	1.9447
31 Dec 2015	369758	Market Purchase	2947564	2.2236				
01 Jan 2016	43736	Market Purchase	2991300	2.2566				

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15)/end of the year (31-03-16)	% of total shares of the Company				No. of shares	% of total shares of the Company
				08 Jan 2016	151783	Market Purchase	3143083	2.3711
				15 Jan 2016	153588	Market Purchase	3296671	2.4870
				22 Jan 2016	889549	Market Purchase	4186220	3.1581
				29 Jan 2016	143176	Market Purchase	4329396	3.2661
				05 Feb 2016	45980	Market Purchase	4375376	3.3007
				12 Feb 2016	313746	Market Purchase	4689122	3.5374
				19 Feb 2016	99692	Market Purchase	4788814	3.6126
				26 Feb 2016	54106	Market Purchase	4842920	3.6535
				04 Mar 2016	40339	Market Purchase	4883259	3.6839
				31 Mar 2016	96866	Market Purchase	4980125	3.7570
4	MFS INTERNATIONAL NEW DISCOVERY FUND	1035716	0.7813	01 Apr 2015	-	-	1035716	0.7813
				10 Apr 2015	168414	Market Purchase	1204130	0.9084
				17 Apr 2015	127522	Market Purchase	1331652	1.0046
				24 Apr 2015	237088	Market Purchase	1568740	1.1834
				04 Dec 2015	98491	Market Purchase	1667231	1.2577
				11 Dec 2015	470082	Market Purchase	2137313	1.6124
				29 Jan 2016	131088	Market Purchase	2268401	1.7113
				05 Feb 2016	262177	Market Purchase	2530578	1.9090
				31 Mar 2016	-	-	2530578	1.9090
5	BNK CAPITAL MARKETS LTD	3005917	2.2700	01 Apr 2015	-	-	3005917	2.2700
				31 Mar 2016	-	-	3005917	2.2700
6	M&G ASIAN FUND	1793754	1.3532	01 Apr 2015	-	-	1793754	1.3532
				17 Apr 2015	194246	Market Purchase	1988000	1.4997
				24 Apr 2015	108674	Market Purchase	2096674	1.5817
				08 May 2015	244326	Market Purchase	2341000	1.7660
				22 May 2015	64923	Market Purchase	2405923	1.8150
				29 May 2015	60383	Market Purchase	2466306	1.8606
				12 Jun 2015	62568	Market Purchase	2528874	1.9078
				21 Aug 2015	(49335)	Market sale	2479539	1.8705
				11 Sep 2015	(102284)	Market sale	2377255	1.7934
				18 Sep 2015	40540	Market Purchase	2417795	1.8240
				25 Sep 2015	11925	Market Purchase	2429720	1.8330
				30 Sep 2015	1421	Market Purchase	2431141	1.8340
				29 Jan 2016	(50000)	Market sale	2381141	1.7963
				05 Feb 2016	(77710)	Market sale	2303431	1.7377
				12 Feb 2016	(61103)	Market sale	2242328	1.6916
				19 Feb 2016	(47950)	Market sale	2194378	1.6554
				26 Feb 2016	(15410)	Market sale	2178968	1.6438
				31 Mar 2016	-	-	2178968	1.6438
7	SBI MAGNUM TAXGAIN SCHEME	1600000	1.2070	01 Apr 2015			1600000	1.2070
				28 Aug 2015	46586	Market Purchase	1646586	1.2422
				04 Sep 2015	3000	Market Purchase	1649586	1.2444
				18 Sep 2015	100000	Market Purchase	1749586	1.3199
				09 Oct 2015	100000	Market Purchase	1849586	1.3953
				04 Dec 2015	50000	Market Purchase	1899586	1.4330
				11 Dec 2015	100414	Market Purchase	2000000	1.5088
				31 Mar 2016	-	-	2000000	1.5088

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15)/ end of the year (31-03-16)	% of total shares of the Company				No. of shares	% of total shares of the Company
8	FLORIDA RETIREMENT SYSTEM - M&G INVESTMENT MANAGEMENT LIMITED	-	-	01 Apr 2015	-	-	-	-
				29 Jan 2016	360000	Market Purchase	360000	0.2716
				05 Feb 2016	196000	Market Purchase	556000	0.4194
				12 Feb 2016	174000	Market Purchase	730000	0.5507
				19 Feb 2016	195000	Market Purchase	925000	0.6978
				26 Feb 2016	195000	Market Purchase	1120000	0.8449
				04 Mar 2016	100078	Market Purchase	1220078	0.9204
				11 Mar 2016	100745	Market Purchase	1320823	0.9964
				31 Mar 2016	-	-	1320823	0.9964
9	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP	450000	0.3395	01 Apr 2015	-	-	450000	0.3395
				17 Apr 2015	(45103)	Market sale	404897	0.3055
				19 Jun 2015	12500	Market Purchase	417397	0.3149
				26 Jun 2015	17500	Market Purchase	434897	0.3281
				24 Jul 2015	53720	Market Purchase	488617	0.3686
				21 Aug 2015	26655	Market Purchase	515272	0.3887
				28 Aug 2015	213270	Market Purchase	728542	0.5496
				11 Sep 2015	17700	Market Purchase	746242	0.5630
				18 Sep 2015	2300	Market Purchase	748542	0.5647
				25 Sep 2015	150000	Market Purchase	898542	0.6779
				30 Sep 2015	10000	Market Purchase	908542	0.6854
				09 Oct 2015	10000	Market Purchase	918542	0.6929
				16 Oct 2015	56732	Market Purchase	975274	0.7357
				13 Nov 2015	74338	Market Purchase	1049612	0.7918
				20 Nov 2015	55481	Market Purchase	1105093	0.8337
				18 Dec 2015	(15000)	Market sale	1090093	0.8224
				25 Dec 2015	(5000)	Market sale	1085093	0.8186
				31 Dec 2015	13540	Market Purchase	1098633	0.8288
				01 Jan 2016	35282	Market Purchase	1133915	0.8554
				08 Jan 2016	53394	Market Purchase	1187309	0.8957
				15 Jan 2016	5400	Market Purchase	1192709	0.8998
12 Feb 2016	2714	Market Purchase	1195423	0.9018				
11 Mar 2016	2500	Market Purchase	1197923	0.9037				
31 Mar 2016	-	-	1197923	0.9037				
10	ROCHDALE EMERGING MARKETS-AURITIUS	-	-	01 Apr 2015	-	-	-	-
				10 Apr 2015	330746	Market Purchase	330746	0.2495
				17 Apr 2015	151227	Market Purchase	481973	0.3636
				24 Apr 2015	128417	Market Purchase	610390	0.4605
				08 May 2015	100000	Market Purchase	710390	0.5359
				15 May 2015	40000	Market Purchase	750390	0.5661
				22 May 2015	77000	Market Purchase	827390	0.6242
				29 May 2015	87683	Market Purchase	915073	0.6903
				05 Jun 2015	80000	Market Purchase	995073	0.7507
				26 Jun 2015	99041	Market Purchase	1094114	0.8254
				30 Jun 2015	23095	Market Purchase	1117209	0.8428
				10 Jul 2015	55102	Market Purchase	1172311	0.8844
				17 Jul 2015	22502	Market Purchase	1194813	0.9014
				24 Jul 2015	80412	Market Purchase	1275225	0.9620



Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15)/end of the year (31-03-16)	% of total shares of the Company				No. of shares	% of total shares of the Company
				07 Aug 2015	99377	Market Purchase	1374602	1.0370
				11 Dec 2015	(93004)	Market sale	1281598	0.9668
				18 Dec 2015	(35710)	Market sale	1245888	0.9399
				31 Dec 2015	(63200)	Market sale	1182688	0.8922
				31 Mar 2016	-	-	1182688	0.8922
11	INVESCO ASIA INFRASTRUCTURE FUND	1223411	0.9229	01 Apr 2015	-	-	1223411	0.9229
				10 Apr 2015	(57843)	Market sale	1165568	0.8793
				27 Nov 2015	71599	Market Purchase	1237167	0.9333
				29 Jan 2016	(78797)	Market sale	1158370	0.8739
				05 Feb 2016	(75718)	Market sale	1082652	0.8167
				31 Mar 2016	-	-	1082652	0.8167
12	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. S.V.	1554202	1.1725	01 Apr 2015	-	-	1554202	1.1725
				10 Apr 2015	9563	Market Purchase	1563765	1.1797
				17 Apr 2015	104439	Market Purchase	1668204	1.2585
				24 Apr 2015	27158	Market Purchase	1695362	1.2790
				01 May 2015	(7784)	Market sale	1687578	1.2731
				08 May 2015	(91867)	Market sale	1595711	1.2038
				22 May 2015	(320000)	Market sale	1275711	0.9624
				29 May 2015	53000	Market Purchase	1328711	1.0024
				05 Jun 2015	(12405)	Market sale	1316306	0.9930
				12 Jun 2015	(55302)	Market sale	1261004	0.9513
				19 Jun 2015	(36698)	Market sale	1224306	0.9236
				26 Jun 2015	(64391)	Market sale	1159915	0.8750
				03 Jul 2015	(285391)	Market sale	874524	0.6597
				10 Jul 2015	(3472)	Market sale	871052	0.6571
				17 Jul 2015	70000	Market Purchase	941052	0.7099
				24 Jul 2015	(11110)	Market sale	929942	0.7015
				31 Jul 2015	174	Market Purchase	930116	0.7017
				07 Aug 2015	(101280)	Market sale	828836	0.6253
				14 Aug 2015	(1500)	Market sale	827336	0.6241
				28 Aug 2015	(38632)	Market sale	788704	0.5950
				04 Sep 2015	(55848)	Market sale	732856	0.5529
				11 Sep 2015	(500164)	Market sale	232692	0.1755
				18 Sep 2015	1500	Market Purchase	234192	0.1767
				25 Sep 2015	(74016)	Market sale	160176	0.1208
				09 Oct 2015	(9)	Market sale	160167	0.1208
				23 Oct 2015	15748	Market Purchase	175915	0.1327
				30 Oct 2015	500	Market Purchase	176415	0.1331
				06 Nov 2015	31003	Market Purchase	207418	0.1565
				04 Dec 2015	1522	Market Purchase	208940	0.1576
				11 Dec 2015	88981	Market Purchase	297921	0.2247
				18 Dec 2015	32965	Market Purchase	330886	0.2496
				25 Dec 2015	(1612)	Market sale	329274	0.2484
				31 Dec 2015	3000	Market Purchase	332274	0.2507
				08 Jan 2016	124341	Market Purchase	456615	0.3445
				15 Jan 2016	(675)	Market sale	455940	0.3440
				29 Jan 2016	(14145)	Market sale	441795	0.3333
				05 Feb 2016	(68509)	Market sale	373286	0.2816

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the (01-04-15 to 31-03-16)	
		No. of Shares at the beginning (01-04-15)/ end of the year (31-03-16)	% of total shares of the Company				No. of shares	% of total shares of the Company
				12 Feb 2016	7011	Market Purchase	380297	0.2869
				19 Feb 2016	49	Market Purchase	380346	0.2869
				26 Feb 2016	251	Market Purchase	380597	0.2871
				04 Mar 2016	799	Market Purchase	381396	0.2877
				31 Mar 2016	11	Market Purchase	381407	0.2877
13	SMALLCAP WORLD FUND, INC	6615832	4.9909	01 Apr 2015	-	-	6615832	4.9909
				01 May 2015	(113024)	Market sale	6502808	4.9057
				08 May 2015	(1002359)	Market sale	5500449	4.1495
				15 May 2015	(249226)	Market sale	5251223	3.9615
				22 May 2015	(281223)	Market sale	4970000	3.7493
				18 Dec 2015	(480000)	Market sale	4490000	3.3872
				25 Dec 2015	(611465)	Market sale	3878535	2.9259
				31 Dec 2015	(378535)	Market sale	3500000	2.6404
				08 Jan 2016	(14004)	Market sale	3485996	2.6298
				22 Jan 2016	(1827379)	Market sale	1658617	1.2512
				29 Jan 2016	(584413)	Market sale	1074204	0.8104
				05 Feb 2016	(273362)	Market sale	800842	0.6041
				12 Feb 2016	(246251)	Market sale	554591	0.4184
				19 Feb 2016	(554591)	Market sale	-	-
				31 Mar 2016	-	-	-	-
14	MET INVESTORS SERIES TRUST-MFS EMERGING MARKETS EQUITY PORTFOLIO	1371536	1.0347	01 Apr 2015	-	-	1371536	1.0347
				12 Jun 2015	(9749)	Market sale	1361787	1.0273
				07 Aug 2015	14061	Market Purchase	1375848	1.0379
				21 Aug 2015	7741	Market Purchase	1383589	1.0438
				04 Sep 2015	7614	Market Purchase	1391203	1.0495
				16 Oct 2015	(4412)	Market sale	1386791	1.0462
				04 Dec 2015	(279554)	Market sale	1107237	0.8353
				11 Dec 2015	(479284)	Market sale	627953	0.4737
				18 Dec 2015	(243122)	Market sale	384831	0.2903
				25 Dec 2015	(132927)	Market sale	251904	0.1900
				31 Dec 2015	(55850)	Market sale	196054	0.1479
				08 Jan 2016	(39164)	Market sale	156890	0.1184
				15 Jan 2016	(156890)	Market sale	-	-
				31 Mar 2016	-	-	-	-

**ATTACHMENT - G**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(v) Shareholding of Directors and Key Managerial Personnel (KMP)**

Sl. No.	Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>A)</b>	<b>Name of the Director</b>				
1.	Mr. Sanjiv Goenka	258498	0.20	258498	0.20
2.	Mr. Aniruddha Basu	110	0.00	110	0.00
<b>B)</b>	<b>KMP</b>				
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	258825	0.20

**ATTACHMENT - H**
**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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4309.89	924.50	–	5234.39
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	29.58	0.44	–	30.02
<b>Total (i+ii+iii)</b>	<b>4339.47</b>	<b>924.94</b>	<b>–</b>	<b>5264.41</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	500.00	–	–	500.00
• Reduction	(178.03)	(225.00)	–	(403.03)
<b>Net Change</b>	<b>321.97</b>	<b>(225.00)</b>	<b>–</b>	<b>96.97</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4631.86	699.50	–	5331.36
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	24.87	0.12	–	24.99
<b>Total (i+ii+iii)</b>	<b>4656.73</b>	<b>699.62</b>	<b>–</b>	<b>5356.35</b>

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

(₹ Crore)

Sl. No.		Name of MD	Total Amount
		Mr Aniruddha Basu	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.01	2.01
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.11	0.11
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option	–	–
3.	Sweat equity	–	–
4.	Commission	–	–
	- as % of profit		
	- others		
5.	Others - Contribution to Provident Fund and Superannuation Fund	0.13	0.13
	<b>Total (A)</b>	<b>2.25</b>	<b>2.25</b>
	Ceiling as per the Act	–	47.45

**ATTACHMENT - J**
**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**B. Remuneration to other directors :**

(₹ Crore)

Sl. No.	Particulars of Remuneration	Name of the Directors						Total Amount	
		P.K. Khaitan	B M Khaitan	C K Dhanuka	Rekha Sethi	P Chaudhuri	K Jairaj		S N Menon
1	<b>Independent Directors</b>								
	(a) Fee for attending board and committee meetings	0.09	0.10	0.12	0.06	0.06	0.05	–	0.48
	(b) Commission	0.08	0.08	0.08	0.07	0.07	0.07	–	0.45
	(c) Others	–	–	–	–	–	–	–	–
	Total(1)	0.17	0.18	0.20	0.13	0.13	0.12	–	0.93
2	<b>Other Non Executive Directors</b>	S. Goenka							
	(a) Fee for attending board and committee meetings	0.13	–	–	–	–	–	–	0.13
	(b) Commission	23.23	–	–	–	–	–	–	23.23
	(c) Others	–	–	–	–	–	–	–	–
	Total (2)	23.36	–	–	–	–	–	–	–
	Total (B) = (1+2)								24.29
	Total Managerial Remuneration								
	Overall Ceiling as per the Act								111.42

**ATTACHMENT - K**
**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(₹ Crore)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1.23	1.16	2.39
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04	0.03	0.07
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- others			
5.	Others - Contribution to Provident Fund and Superannuation Fund	0.09	0.08	0.17
	Total	1.36	1.27	2.63

**ATTACHMENT - L**
**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

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

On behalf of the Board of Directors

 Sanjiv Goenka  
 Chairman

Kolkata, 19 May 2016

(1) The ratio of remuneration (including sitting fees) of the Director - Mr. A. Basu, Managing Director, 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 that of the median of the employees of the Company for the financial year 2015-16 and increase in their remuneration during the said financial year (Percentage) is 34.98 : 1 (42%), 2.10 : 1 (170%), 3.03 : 1 (38%), 363.19 : 1 (175%), 1.94 : 1 (212%), 2.56 : 1 (85%), 2.72 : 1 (16%) and 2.10 : 1 (101%) respectively. The increase in remuneration of the Executive Director & CFO and the Company Secretary during the said financial year was 27% and 33% respectively. During the said financial year, there was an increase of 16% in the median remuneration of employees on the rolls as at 31 March, 2016. There were 9938 permanent employees on the rolls of Company as on the said date. (2) During the financial year 2015-16 the average increase in remuneration was 16%. Increase in Salary is effected in terms of Memorandum of Settlement executed with the Employees' Union every six years and other contractual obligations, prevalent market conditions, inflationary impact/other conditions and assessment of individual performance, as applicable. The Company is engaged in the business of generation and distribution of electricity and its income is mainly derived from sale of electricity at prices determined from time to time in terms of Electricity Act, 2013 and Rules / Regulations framed thereunder. The increase in Profit after Tax during the year is about 1%. The total remuneration of Key Managerial Personnel increased by 35% in 2015-16. (3) The market capitalisation as on March 31, 2016 was ₹ 6265.97 crore (₹ 8004.45 crore as on March 31, 2015) and no public offer has been made since 1991. (4) Price Earnings ratio of the Equity Shares was 8.86 as at March 31, 2016 against 11.14 as at March 31, 2015. (5) The average percentage increase in the salaries of employees on roll as at 31.3.2016 other than the managerial personnel was 15% in 2015-16 whereas the increase in the managerial remuneration for the same financial year was 19%. (5) The key parameters for the variable component of remuneration of the directors are based on the recommendations of the Nomination and Remuneration Committee, Remuneration Policy of the Company and industry norms. (6) There is no employee who receives remuneration in excess of that paid to the highest paid director during the year. (7) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Sanjiv Goenka  
Chairman

Kolkata, 19 May 2016

# Independent Auditors' Report

To the Members of CESC Limited



1. We have audited the accompanying standalone financial statements of CESC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2016, and its profit and its cash flows for the year ended on that date.

## Emphasis of Matter

9. We draw attention to Note No.43 of the standalone financial statements for the year ended March 31, 2016, relating to additional levy of Rs. 998 crores paid pursuant to Coal Mine Special Provision Act, 2015 read with related Rules / Ordinance, etc. and recognised as recoverable through tariff and accounted for in the year ended March 31, 2015 (as exceptional item and fuel cost) for reasons stated in the referred note. Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that :
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards

# Independent Auditors' Report



specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements - Refer Note No 23(a);
- ii. The Company has long-term contracts including derivative contracts as at March 31, 2016 for which there were no material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

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

Sougata Mukherjee  
Partner  
Membership Number : 057084

Kolkata  
May 19, 2016



## Annexure 'A' to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of CESC Limited on the standalone financial statements for the year ended March 31, 2016.

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

1. We have audited the internal financial controls over financial reporting of CESC Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

#### Meaning of Internal Financial Controls Over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sougata Mukherjee  
 Partner

Kolkata  
 May 19, 2016

Membership Number : 057084

## Annexure 'B' to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of CESC Limited on the Standalone Financial Statements as of and for the year ended 31st March, 2016.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company, except those in the transmission and distribution system for which we have been informed that, physical verification is not practicable, have been physically verified by the Management according to a phased programme designed to cover all items over a period of three years, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory, excluding stocks with third parties have been conducted at a reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans, or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public with in the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts are records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing

the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities.

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

Name of the statute	Nature of dues	Amount (₹ crores)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Sales Tax Act, 1994	Sales Tax, Meter Rentals	0.30	1992-93	Hon'ble High Court at Calcutta
The Customs Act, 1962	Customs Duty	8.42	2012-13	Customs and Service Tax Appellate Tribunal
The Customs Act, 1962	Customs Duty	10.96	2011-12	Commissioner Customs

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

- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debt instruments during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Kolkata  
May 19, 2016

Sougata Mukherjee  
Partner  
Membership Number : 057084

# Balance Sheet as at 31st March, 2016



₹ in Crore

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	133.22	133.22
Reserves and surplus	4	8,502.35	7,946.70
		<b>8,635.57</b>	<b>8,079.92</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	2,966.19	3,182.93
Deferred tax liabilities (net)	31	–	–
Advance against Depreciation		1,009.69	859.58
Consumers' Security Deposits		1,575.08	1,408.11
Other long-term liabilities	6	1,585.39	1,845.05
Long-term provisions	7	183.38	160.94
		<b>7,319.73</b>	<b>7,456.61</b>
<b>Current liabilities</b>			
Short-term borrowings	8	1,458.95	1,141.08
Trade Payables	9		
to micro enterprise and small enterprise		12.37	5.53
to others		351.97	320.55
Other current liabilities	10	1,490.07	1,719.36
Short-term provisions	11	57.49	194.89
		<b>3,370.85</b>	<b>3,381.41</b>
<b>TOTAL</b>		<b>19,326.15</b>	<b>18,917.94</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	12	9,476.45	9,124.30
Intangible assets	13	220.17	109.53
Capital work-in-progress		196.02	261.68
		<b>9,892.64</b>	<b>9,495.51</b>
Non-current investments	14	4,146.56	3,758.34
Long-term loans and advances	15	1,407.71	1,343.02
Other non-current assets	16	898.88	611.20
		<b>16,345.79</b>	<b>15,208.07</b>
<b>Current assets</b>			
Current Investments	17	500.00	491.00
Inventories	18	316.52	405.46
Trade receivables	19	967.83	1,381.74
Cash and bank balances	20	836.63	737.74
Short-term loans and advances	21	144.77	204.18
Other current assets	22	214.61	489.75
		<b>2,980.36</b>	<b>3,709.87</b>
<b>TOTAL</b>		<b>19,326.15</b>	<b>18,917.94</b>
<b>Notes forming part of Financial Statements</b>	1 - 48		

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

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

Sougata Mukherjee  
Partner  
Membership No. : 057084  
Kolkata, 19th May, 2016

Subhasis Mitra  
Company Secretary

Rajarshi Banerjee  
Executive Director & CFO

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka  
Managing Director Aniruddha Basu

## Statement of Profit and Loss for the year ended 31st March, 2016

₹ in Crore

Particulars	Note No.	2015-16	2014-15
Revenue from operations	24	<b>6,493.07</b>	6,188.80
Other income	25	<b>123.11</b>	84.80
<b>Total Revenue</b>		<b><u>6,616.18</u></b>	<u>6,273.60</u>
<b>Expenses</b>			
Cost of electrical energy purchased		<b>2,039.31</b>	1,323.38
Cost of fuel	26	<b>1,347.29</b>	1,805.02
Employee benefit expenses	27	<b>748.81</b>	694.09
Finance costs	28	<b>453.17</b>	407.86
Depreciation and amortisation expenses	29	<b>369.20</b>	343.07
Other expenses	30	<b>759.39</b>	817.46
<b>Total expenses</b>		<b><u>5,717.17</u></b>	<u>5,390.88</u>
<b>Profit before exceptional item and tax</b>		<b><u>899.01</u></b>	<u>882.72</u>
Exceptional item (net)		–	896.73
Less : Credited (refer note 43)		–	(896.73)
<b>Profit before tax</b>		<b><u>899.01</u></b>	<u>882.72</u>
<b>Tax expenses :</b>			
Current		<b>(192.00)</b>	(185.00)
Deferred (net)		<b>(179.40)</b>	(197.57)
Recoverable/(Payable)		<b>179.40</b>	197.57
<b>Profit for the year - transferred to Surplus</b>		<b><u>707.01</u></b>	<u>697.72</u>
Earnings per share (Face Value of ₹ 10 per share) :			
Basic and Diluted	36	<b>53.34</b>	54.51
<b>Notes forming part of Financial Statements</b>	1 - 48		

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

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

Sougata Mukherjee  
Partner  
Membership No. : 057084  
Kolkata, 19th May, 2016

Subhasis Mitra  
Company Secretary

Rajarshi Banerjee  
Executive Director & CFO

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka  
Managing Director Aniruddha Basu

## Cash Flow Statement for the year ended 31st March, 2016

₹ in Crore

Particulars	2015-16	2014-15
<b>A. Cash flow from Operating Activities</b>		
Profit before Taxation	899.01	882.72
Adjustments for :		
Depreciation and amortisation expenses	369.20	343.07
Diminution in Value of Investment	–	2.43
Loss/(Profit) on sale / disposal of assets (net)	(0.54)	0.01
Gain on sale of current investments (net)	(56.60)	(30.33)
Amortisation of Miscellaneous expenditure	0.72	0.72
Bad debts / Advances made	35.28	36.32
Finance costs	453.17	407.86
Interest Income	(29.65)	(24.74)
Advance against depreciation	150.11	82.68
Share Issue Expenses	–	20.55
<b>Operating Profit before Working Capital changes</b>	<b>1,820.70</b>	<b>1,721.29</b>
Adjustments for :		
Trade & other receivables	492.14	(889.95)
Inventories	88.94	(59.90)
Trade and other payables	(417.82)	156.79
<b>Cash Generated from Operations</b>	<b>1,983.96</b>	<b>928.23</b>
Income Tax paid	(195.01)	(196.66)
<b>Net cash flow from Operating Activities</b>	<b>1,788.95</b>	<b>731.57</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets / Capital Work-in-Progress	(809.88)	(960.68)
Proceeds from Sale of Fixed Assets	11.46	8.07
Investment in Subsidiaries and Joint Ventures	(386.33)	(569.65)
Sale/(purchase) of Current Investments (net)	47.60	(460.67)
Interest received	23.52	44.22
Advance to bodies corporate for share subscription	(4.00)	(2.00)
Advance to subsidiaries, joint venture for share subscription	(23.63)	(31.99)
<b>Net cash used in Investing Activities</b>	<b>(1,141.26)</b>	<b>(1,972.70)</b>

## Cash Flow Statement for the year ended 31st March, 2016

₹ in Crore

Particulars	2015-16	2014-15
<b>C. Cash flow from Financing Activities</b>		
Share issue Expenses	–	(20.55)
Proceeds from Issue of Share Capital	–	490.80
Proceeds from Long Term Borrowings ( net of refinance loan )	<b>650.00</b>	1,275.00
Repayment of Long Term Borrowings	<b>(858.69)</b>	(626.91)
Repayment of Public Deposits	–	(0.03)
Net increase / (decrease) in Cash Credit facilities and other Short Term Borrowings	<b>317.87</b>	565.50
Capital Contributions and Advance received from Consumers	<b>120.53</b>	65.94
Finance Costs paid	<b>(477.66)</b>	(435.50)
Dividend paid	<b>(249.58)</b>	(99.78)
Dividend tax paid	<b>(51.27)</b>	(16.99)
<b>Net Cash flow from Financing Activities</b>	<b>(548.80)</b>	1,197.48
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>98.89</b>	(43.65)
<b>Cash and Cash equivalents - Opening Balance [Refer Note (c) below]</b>	<b>737.74</b>	781.39
<b>Cash and Cash equivalents - Closing Balance [Refer Note (c) below]</b>	<b>836.63</b>	737.74

### Notes :

- a) The Cash Flow Statement has been prepared under the indirect method as given in the Accounting Standard on Cash Flow Statement (AS-3) as per Companies Accounting Standard Rules, 2006.
- b) Closing Balance of Cash and Cash equivalents represent “Cash and Bank balances” and includes ₹ 4.21 crore (31.3.2015 - ₹ 1.93 crore) lying in designated accounts with banks on account of unclaimed dividends which are not available for use by the Company and ₹ 196.50 crore (31.3.2015 - ₹ 185.00 crore) appropriated upto the previous year towards fund for unforeseen exigencies and interest attributable thereto.

	2015-16	2014-15
c) Cash & Cash Equivalents comprise of :-		
Balance with Bank :		
In Current Account	<b>74.93</b>	163.58
Bank deposits with original maturity upto 3 months	<b>206.00</b>	200.00
Cheques, drafts on hand	<b>308.60</b>	109.20
Cash on hand	<b>3.19</b>	3.94
Other Bank Balances :		
Dividend Accounts	<b>4.21</b>	1.93
Bank deposits with original maturity more than 3 months	<b>239.70</b>	259.09
	<b>836.63</b>	737.74

- d) Previous year's figures have been regrouped / rearranged wherever necessary.

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

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

Sougata Mukherjee  
Partner  
Membership No. : 057084  
Kolkata, 19th May, 2016

Subhasis Mitra  
Company Secretary

Rajarshi Banerjee  
Executive Director & CFO

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka  
Managing Director Aniruddha Basu

## 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 - 2 SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Accounting Convention**

Pursuant to section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 till the standard of accounting or any addendum thereto prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with Accounting Standards notified under section 211(3C)[Companies (Accounting Standards) Rules, 2006,as amended] 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.

#### **(b) Basis of Accounting**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under historical cost convention, except for certain tangible assets which are being carried at revalued amount.

Specific items of capital /revenue matters on which there is bearing of regulatory actions, have been separately disclosed / dealt with in these financial statements.

#### **(c) Tangible Assets**

Tangible Assets other than furniture and vehicles acquired upto 31st March, 2005, have been adjusted for the effect of valuation made by an approved external valuer at the then current replacement cost after necessary adjustment for depreciation / amortisation. Subsequent acquisition of these assets, furniture and vehicles are stated at cost of acquisition together with any incidental expenses related to acquisition and appropriate borrowing costs. In case of a project, cost also includes pre-operative expenses and where applicable, expenses during trial run after netting off of revenue earned during trial run and income arising from temporary use of funds pending utilisation. An impairment loss is recognized where applicable, when the carrying value of tangible assets of cash generating unit exceed its market value or value in use, whichever is higher.

#### **(d) Intangible Assets**

Intangible assets comprising computer software, brands/trademarks and mining rights, expected to provide future enduring economic benefits are stated at cost of acquisition / implementation / development less accumulated amortisation. 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.

#### **(e) Depreciation and Amortisation**

In terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a prorata basis at the rates specified therein, the basis of which is considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the tariff for the year of the Company. Additional charge of depreciation for the year on increase in value arising from revaluation is recouped from Revaluation Reserve. Leasehold land is amortized over the unexpired period of the lease.

Cost of intangible assets, comprising computer software related expenditure, are amortised in three years and those relating to brands/trademarks 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.

#### **(f) Leasing**

Lease rentals in respect of assets taken under operating lease are charged to revenue.

#### **(g) Investments**

Current Investments are stated at lower of cost and fair value and Non Current Investments are stated at cost.Provision is made where there is a decline, other than temporary, in the value of Non Current Investment.

#### **(h) Inventories**

Inventories of stores and spares and fuel are valued at lower of cost and net realizable value. Cost is calculated on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, adjustment is made for such items.



(i) **Foreign Currency Transactions**

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

(j) **Revenue from Operations**

Earnings from sale of electricity are net of discount for prompt payment of bills and do not include electricity duty payable to the State Government. They also include, as per established practice, consistently followed by the Company in the past, estimated sums recoverable from / adjustable on consumers' account, calculated on the basis of rates approved / specified by the appropriate authorities which are reflected in the subsequent bills. In terms of the applicable regulations and tariff determination process followed by the Commission, advance against depreciation forms part of tariff. Such advance against depreciation of a year is adjusted against earning from sale of electricity for inclusion of the same in subsequent years, based on due consideration by the authorities in the tariff determination process.

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

(k) **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.

(l) **Employee Benefits**

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

(m) **Miscellaneous expenditure to the extent not written off or adjusted**

The erstwhile governing statute for the Company, viz., the Electricity (Supply) Act, 1948 (ESA), provided for amortisation of preliminary expenses and certain capital issue expenses over the unexpired period of licence. The Company, as per the consistently applied accounting policy continues with such amortisation of expenditure incurred upto the year 2004-05. Thereafter, pursuant to repeal of ESA, such expenditures are charged off to revenue.

(n) **Finance Costs**

Finance Costs comprise interest expenses, applicable gain / loss on foreign currency borrowings in appropriate cases and other borrowing costs. Such Finance Costs attributable to acquisition and / or construction of qualifying assets are capitalized as a part of cost of such assets upto the date, where such assets are ready for their intended use. The balance Finance Costs is charged off to revenue. Finance Costs in case of foreign currency borrowings is accounted for as appropriate, duly considering the impact of the contracts entered into for managing risks therefor.

(o) **Taxes on Income**

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 at the current rates of taxation on all timing differences to the extent it is probable that a liability or asset will crystallize. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof. Since tax on profits forms part of chargeable expenditure under the applicable regulations, deferred tax liability or asset is recoverable or payable through future tariff. Hence, recognition of deferred tax asset or liability is made with corresponding provision of liability or asset, as applicable.

## Notes forming Part of Financial Statements (Contd.)

	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 3 SHARE CAPITAL</b>		
(a) Authorised Share Capital 15,00,00,000 Equity Shares of ₹ 10 each	<b>150.00</b>	150.00
(b) Issued Capital 13,88,57,015 (31.03.2015 : 13,88,57,015) Equity Shares of ₹ 10/- each	<b>138.86</b>	138.86
(c) Subscribed and paid up capital 13,25,57,043 (31.03.2015 : 13,25,57,043) Equity Shares of ₹ 10/- each	<b>132.56</b>	132.56
(d) Forfeited Shares (amount originally paid up)	<b>0.66</b>	0.66
	<b>133.22</b>	133.22

(e) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	Amount (₹ In Crore)	No. of shares	Amount (₹ In Crore)
Balance at the beginning of the year	<b>13,25,57,043</b>	<b>132.56</b>	12,49,35,925	124.94
Add : Shares issued and allotted during the year	—	—	76,21,118	7.62
Closing Balance	<b>13,25,57,043</b>	<b>132.56</b>	13,25,57,043	132.56

(f) Terms /rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10/- per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 10/- per equity share has been paid during the year ended 31st March 2016. 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, 2016		As at 31st March, 2015	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited	<b>5,87,96,632</b>	<b>44</b>	5,85,53,331	44
ICICI Asset Management Company Limited	<b>1,55,56,679</b>	<b>12</b>	—	—
HDFC Trustee Company Limited	<b>1,19,09,021</b>	<b>9</b>	11,205,021	8

# Notes forming Part of Financial Statements (Contd.)

	As at 31st March, 2016	As at 31st March, 2015
₹ in Crore		
<b>NOTE - 4 RESERVES AND SURPLUS</b>		
(a) Capital contribution from consumer as at the beginning of the year	<b>923.69</b>	816.62
Add : Contribution during the year	<b>121.06</b>	107.07
	<b>1,044.75</b>	923.69
(b) Capital Redemption Reserve	<b>20.13</b>	20.13
(c) Securities Premium Account as at the beginning of the year	<b>1,738.03</b>	1,254.85
Addition during the year	–	483.18
	<b>1,738.03</b>	1,738.03
(d) Revaluation Reserve as at the beginning of the year	<b>850.55</b>	961.23
Less : Withdrawal on account of depreciation / amortisation on amount added on revaluation	<b>112.00</b>	109.76
	<b>738.55</b>	851.47
Less : Withdrawal of the residual amount added on revaluation consequent to sale/disposal of revalued assets	<b>0.87</b>	0.92
	<b>737.68</b>	850.55
(e) Fund for unforeseen exigencies at the beginning of the year	<b>195.45</b>	179.18
Add : Transfer during the year from Surplus (Refer Note (h) below)	<b>16.63</b>	16.27
	<b>212.08</b>	195.45
(f) General Reserve	<b>3,975.35</b>	3,455.35
Add : Transfer during the year from Surplus	<b>520.00</b>	520.00
	<b>4,495.35</b>	3,975.35
(g) Surplus at the beginning of the year	<b>243.50</b>	225.64
Add : Profit for the year	<b>707.01</b>	697.72
Less : Appropriations		
Transfer to fund for unforeseen exigencies	<b>16.63</b>	16.27
Transfer to General Reserve	<b>520.00</b>	520.00
Interim Dividend	<b>132.56</b>	–
Proposed Dividend	–	119.30
Tax on Interim Dividend	<b>26.99</b>	–
Tax on Proposed Dividend	–	24.29
	<b>254.33</b>	243.50
	<b>8,502.35</b>	7,946.70
(h) Amount transferred during the year to fund for unforeseen exigencies to be invested as per the applicable regulations.		

# Notes forming Part of Financial Statements (Contd.)



	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 5 LONG-TERM BORROWINGS</b>		
<b>(A) Secured</b>		
Term Loans		
(1) Rupee Loans :		
(i) Banks	3,349.63	3,270.16
(ii) Financial Institutions	-	180.38
	<b>3,349.63</b>	<b>3,450.54</b>
(2) Foreign Currency Loans from banks	522.78	642.77
	<b>3,872.41</b>	<b>4,093.31</b>
Less : Current maturities of long term borrowings transferred to Other Current Liabilities (Refer Note 10)	906.22	910.38
	<b>2,966.19</b>	<b>3,182.93</b>

**(B) Nature of Security :**

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

- (a) ₹ 3401.81 crore (31.03.2015 - ₹ 3436.40 crore) are secured, ranking pari passu inter se, by equitable mortgage / hypothecation of the fixed assets of the Company including its land, buildings and any other constructions thereon, plant and machinery, etc. as a first charge and, as a second charge, by hypothecation of the Company's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances. However, creation of the said mortgage security in respect of ten Rupee Loans (Previous year five Rupee Loans) aggregating ₹ 1593.51 crore (31.03.2015 - ₹ 907.50 crore) is in process. User rights in respect of a freehold land having a book value of ₹ 62.55 crore (31.03.2015 - ₹ 62.55 crore) have been offered as security for financial assistance availed of by a subsidiary company to its lenders; and
- (b) ₹ 470.60 crore (31.03.2015 - ₹ 656.91 crore) are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets and current assets of the Company by way of a charge subservient to the charge of the first and second charge holders on the said assets.

**(C) Major terms of repayment of Long Term Borrowings :**

₹ in Crore

Maturity Profile of Long Term Borrowings outstanding as at 31st March, 2016	Rupee Term Loan from Banks	Foreign Currency Loans	Total	Current Maturities
Loans with residual maturity of upto 1 year	226.23	13.35	239.58	239.58
Loans with residual maturity between 1 and 3 years	107.06	325.81	432.87	179.48
Loans with residual maturity between 3 and 5 years	909.85	-	909.85	221.19
Loans with residual maturity between 5 and 10 years	1,806.49	183.62	1,990.11	256.88
Loans with residual maturity beyond 10 years	300.00	-	300.00	9.09
<b>Total</b>	<b>3,349.63</b>	<b>522.78</b>	<b>3,872.41</b>	<b>906.22</b>

Interest rates on Rupee Term Loans from Banks and Financial Institutions are based on spread over respective Lenders' benchmark rate and that of on Foreign Currency Loans are based on spread over LIBOR.

All of the above are repayable in periodic instalments over the maturity period of the respective loans.

- (D) Term loans from a Financial Institution as at 31.3.2015 has been disclosed under Term Loans from Banks during the year pursuant to the conversion of the Financial Institution into a bank during the year.

## Notes forming Part of Financial Statements (Contd.)

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 6 OTHER LONG TERM LIABILITIES</b>		
(a) Trade Payables - other than micro and small enterprise	32.48	220.75
(b) Others *	1,552.91	1,624.30
	<b>1,585.39</b>	<b>1,845.05</b>

\*Others include those arising from adjustments detailed in Note 24 and the unadjusted balance of sums received from consumers for Capital jobs, pending completion thereof.

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 7 LONG TERM PROVISIONS</b>		
Provision for employee benefits	183.38	160.94
	<b>183.38</b>	<b>160.94</b>

	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 8 SHORT-TERM BORROWINGS</b>		
<b>A. Secured</b>		
Loans repayable on demand		
Overdraft from banks	759.45	216.58
<b>B. Unsecured</b>		
Short term loan from banks	149.50	224.50
Commercial Paper (including from bank ₹ 200 crore)	550.00	700.00
	<b>1,458.95</b>	<b>1,141.08</b>

**C. Nature of Security**

Overdraft facilities from bank in (A) above are secured, ranking pari passu inter se, by hypothecation of the Company's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances as a first charge and, as a second charge, by equitable mortgage / hypothecation of fixed assets of the Company including its land, buildings and any other construction thereon, where exists plant and machinery etc. However, creation of the said mortgage security in respect of overdraft facilities from banks aggregating ₹ 518 crore (31.03.2015 – ₹ 467 crore) is in process.

**NOTE - 9 TRADE PAYABLES**

- (a) ₹ 0.02 crore (31.3.2015 - ₹ Nil), ₹ 0.12 crore (31.3.2015 - ₹ 0.08 crore) and ₹ 0.76 crore (31.03.2015- ₹ 0.64 crore) representing interest due on amount outstanding as at the year end, interest accrued and due for the period of delay in making payment during the year and interest accrued and remaining unpaid at the year end respectively due to Micro and Small Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 on information available with the Company.
- (b) Trade payables include a sum of ₹ 166.09 crore (31.3.15 - ₹ 82.85 crore) on account of sums due to agencies from which electrical energy was purchased. During the year ended 31 March, 2016 billing in respect of the same from Haldia Energy Ltd (HEL) has been made for the period 1 April, 2015 to 31 January, 2016 in consonance with the order of the Commission dated 29 January, 2016 on HEL and in terms of the order dated 4 March, 2015 on the company (the procurer) and billing for the period 1 February to 31 March, 2016 has been made as per the afore-stated order on HEL. Adjustments arising out of the above shall be considered in due course in line with the directive/order of the Commission. Cost of Electrical energy purchased has been netted off against a sum of ₹ 110.17 Crore (Previous Year NIL) pursuant to settlement of provisions made in respect of an agency for procurement of power in the past.

# Notes forming Part of Financial Statements *(Contd.)*



	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 10 OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of long-term debt (Refer Note 5)	906.22	910.38
(b) Interest accrued but not due on borrowings	24.99	30.02
(c) Unclaimed dividend	4.21	1.93
(d) Liabilities on capital account	106.83	103.62
(e) Other payables	447.82	673.41
	<b>1,490.07</b>	<b>1,719.36</b>
(f) Unclaimed dividend do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.		
(g) Other payables include accrued interest on consumer security deposit, employee related liability, creditors towards contractual obligations etc.		

	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 11 SHORT TERM PROVISIONS</b>		
(a) Provision for employee benefits	57.49	51.30
(b) Proposed Dividend	-	119.30
(c) Tax on Proposed Dividend	-	24.29
	<b>57.49</b>	<b>194.89</b>

## Notes forming Part of Financial Statements (Contd.)

₹ in Crore

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2015	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2016	As at 1st April, 2015	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016
Land										
Freehold	840.95	3.87	-	844.82	-	-	-	-	840.95	844.82
Leasehold*	395.26	9.37	-	404.63	31.05	2.15	-	33.20	364.21	371.43
Buildings and Structures	799.75	36.55	-	836.30	334.42	19.18	-	353.60	465.33	482.70
Plant and Equipment	6,480.11	279.39	6.90	6,752.60	3,204.87	233.59	4.35	3,434.11	3,275.24	3,318.49
Distribution System	5,807.26	434.24	39.46	6,202.04	1,999.21	173.59	36.95	2,135.85	3,808.05	4,066.19
Meters and Other Apparatus on Consumers' Premises	554.25	47.15	18.14	583.26	288.38	25.03	10.86	302.55	265.87	280.71
River Tunnel	4.88	-	-	4.88	3.29	0.26	-	3.55	1.59	1.33
Furniture and Fixtures	22.49	5.25	0.47	27.27	8.84	1.32	0.09	10.07	13.65	17.20
Office Equipment	114.51	11.25	-	125.76	46.71	6.61	-	53.32	67.80	72.44
Vehicles	17.77	1.74	0.62	18.89	13.46	1.10	0.41	14.15	4.31	4.74
Railway Sidings	39.74	-	-	39.74	22.44	0.90	-	23.34	17.30	16.40
	<b>15,076.97</b>	<b>828.81</b>	<b>65.59</b>	<b>15,840.19</b>	<b>5,952.67</b>	<b>463.73</b>	<b>52.66</b>	<b>6,363.74</b>	<b>9,124.30</b>	<b>9,476.45</b>
Previous Year	14,060.90	1,066.45	50.38	15,076.97	5,555.31	441.56	44.20	5,952.67	9,124.30	9,124.30

\*The execution of long term lease deed in respect of land acquired for Sarisatoli Coal mine during the year is in process.

### NOTE 13 - INTANGIBLE ASSETS

Brands / trademarks	150.00	-	-	150.00	45.00	7.50	-	52.50	105.00	97.50
Computer Software	38.62	2.66	-	41.28	34.09	4.22	-	38.31	4.53	2.97
Mining Rights	-	125.45	-	125.45	-	5.75	-	5.75	-	119.70
	<b>188.62</b>	<b>128.11</b>	<b>-</b>	<b>316.73</b>	<b>79.09</b>	<b>17.47</b>	<b>-</b>	<b>96.56</b>	<b>109.53</b>	<b>220.17</b>
Previous Year	181.15	7.47	-	188.62	67.82	11.27	-	79.09	109.53	109.53

# Notes forming Part of Financial Statements (Contd.)



	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 14 NON CURRENT INVESTMENTS</b>		
<b>A. Trade Investments -Unquoted</b>		
<b>Investments in Equity Instruments</b>		
13,000 Equity Shares of Integrated Coal Mining Limited of ₹ 10 each	0.01	0.01
<b>B. Other Investments -Unquoted</b>		
<b>Investments in Equity Instruments</b>		
<b>Subsidiary Companies</b>		
29,67,53,585 (31.03.2015 : 24,27,98,388) Equity Shares of Spencer's Retail Limited of ₹ 10 each	446.81	360.49
25,93,10,000 (31.03.2015 : 24,95,10,000) Equity Shares of Quest Properties India Limited of ₹ 10 each	259.31	249.51
13,50,000 Equity Shares of Nalanda Power Company Limited of ₹ 10 each	1.35	1.35
2,68,80,50,000 (31.03.2015 : 2,44,30,50,000) Equity Shares of CESC Infrastructure Limited of ₹ 10 each	2,688.05	2,443.05
2,35,00,000 (31.03.2015 : 1,90,00,000) Equity Shares of Ranchi Power Distribution Company Limited of ₹ 10 each	23.50	19.00
47,10,28,050 Equity Shares of Spen Liq Private Limited of ₹ 10 each	471.00	471.00
28,20,615 Equity Shares of Papu Hydropower Projects Limited of ₹ 10 each	12.95	12.95
44,17,983 Equity Shares of Pachi Hydropower Projects Limited of ₹ 10 each	9.38	9.38
9,42,35,800 (31.03.2015 : 8,92,35,800) Equity Shares of Surya Vidyut Limited of ₹ 10 each ( 141,70,740 shares are pledged)	94.24	89.24
1,88,50,000 (31.03.2015 : 1,22,50,000 ) Equity Shares of CESC Projects Limited of ₹ 10 each	18.85	12.25
1,10,00,000 Equity Shares of Bantal Singapore Pte Limited of USD 1 each	49.24	49.24
5,000 Equity Shares of Sheesham Commercial Private Limited of ₹ 10 each	0.01	0.01
5,000 Equity Shares of Water Hyacinth Commosale Private Limited of ₹ 10 each	0.01	0.01
3,400 Equity Shares of Wigeon Commotrade Private Limited of ₹ 10 each	0.00	0.00
4,06,99,994 (31.03.2015 : 306,99,994) Equity shares of Crescent Power Limited of ₹ 10 each	71.85	40.85
<b>Joint Venture</b>		
24,29,800 Equity shares of Mahuagarhi Coal Company Private Limited of ₹ 10 each- fully provided for	-	-
	<b>4,146.56</b>	<b>3,758.34</b>

**C. All non-current investments are long term in nature.**



## Notes forming Part of Financial Statements (Contd.)

	As at 31st March, 2016	As at 31st March, 2015
₹ in Crore		
<b>NOTE - 15 LONG-TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
(a) Capital advances	58.93	116.53
(b) Security Deposits	16.73	16.48
(c) Advance to related parties		
Share application money to subsidiaries	1,204.96	1,178.29
(d) Share application money to bodies corporate	28.00	24.00
(e) Other Loans and advances (Includes advance for employee related loans and also includes expenditure incurred by the company for setting up power projects to be transferred to the specific project )	99.09	7.72
	<b>1,407.71</b>	<b>1,343.02</b>
<b>NOTE - 16 OTHER NON-CURRENT ASSETS</b>		
(a) Long Term Trade Receivables Unsecured, considered good	-	8.34
(b) Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted	2.15	2.86
(c) Others (refer Note 43 )	896.73	600.00
	<b>898.88</b>	<b>611.20</b>
<b>NOTE - 17 CURRENT INVESTMENTS</b>		
<b>Unquoted - Investments in Mutual Funds</b>		
52,82,923.283 (31.03.2015 : Nil) units of ₹ 285.8266 each of ICICI Prudential Flexible Income - Direct Plan - Growth	151.00	-
26,97,142.216 (31.03.2015 : Nil) units of ₹ 370.7628 each of Birla Sun Life Cash Manager - Growth - Direct Plan	100.00	-
2,88,40,385.769 (31.03.2015 : Nil) units of ₹ 26.0052 each of HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Wholesale Option - Growth Option	75.00	-
1,03,02,820.500 (31.03.2015 : Nil) units of ₹ 24.2652 each of Kotak Treasury Advantage Fund - Direct Plan - Growth	25.00	-
1,02,370.634 (31.03.2015 : Nil) units of ₹ 2442.1066 each of Reliance Liquid Fund Cash Plan - Direct Plan - Growth	25.00	-
57,47,082.398 (31.03.2015 : Nil) units of ₹ 26.1002 each of HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Wholesale Option - Growth Option	15.00	-
37,849.370 units of ₹ 2,377.8467 each (31.03.2015 : 1,36,498.571 units of ₹ 2,197.8252 each) of SBI Premier Liquid Fund - Direct Plan - Growth	9.00	30.00
Nil (31.03.2015 : 72,94,604.939 units of ₹ 207.0023 each) of ICICI Prudential Liquid - Direct Plan - Growth	-	151.00
Nil (31.03.2015 : 44,55,361.069 units of ₹ 224.4487 each) of Birla Sun Life Cash Plus - Direct Plan - Growth	-	100.00
Nil (31.03.2015 : 3,62,32,146.610 units of ₹ 27.5998 each) of HDFC Liquid Fund - Direct Plan - Growth	-	100.00
Nil (31.03.2015 : 1,76,213.429 units of ₹ 2,837.4682 each) of Kotak Liquid Scheme Plan A - Direct Plan - Growth	-	50.00
Nil (31.03.2015 : 2,25,778.936 units of ₹ 1,550.1889 each) of Axis Liquid Fund - Direct Plan - Growth	-	35.00
Nil (31.03.2015 : 73,325.620 units of ₹ 3,409.4495 each) of Reliance Liquid Fund Treasury Plan - Direct Plan - Growth	-	25.00
<b>Investment in Commercial Paper</b>		
2,000.00 (31.03.2015 : Nil) units of ₹ 5,00,000.00 each of Axis Finance Ltd.	100.00	-
	<b>500.00</b>	<b>491.00</b>

## Notes forming Part of Financial Statements (Contd.)

	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 18 INVENTORIES</b>		
(a) Fuel (includes goods in transit ₹ 31.12 crore; 31.03.2015 : ₹ 70.09 crore )	<b>132.65</b>	220.50
(b) Stores and Spares (includes goods in transit Nil; 31.03.2015 : ₹ 1.35 crore)	<b>183.87</b>	184.96
	<b>316.52</b>	405.46
<b>NOTE - 19 TRADE RECEIVABLES</b>		
(a) Outstanding for a period exceeding six months from due date of payment		
Secured, considered good	<b>40.43</b>	33.26
Unsecured, considered good	<b>63.65</b>	204.00
Doubtful	<b>6.15</b>	4.10
	<b>110.23</b>	241.36
Less : Allowances for doubtful debt	<b>6.15</b>	4.10
	<b>104.08</b>	237.26
(b) Other receivables		
Secured, considered good	<b>662.54</b>	742.61
Unsecured, considered good	<b>201.21</b>	401.87
	<b>863.75</b>	1,144.48
	<b>967.83</b>	1,381.74
<b>NOTE - 20 CASH AND BANK BALANCES</b>		
(a) Cash and cash equivalents		
Balances with banks		
In Current Account	<b>74.93</b>	163.58
Bank deposits with original maturity upto 3 months	<b>206.00</b>	200.00
Cheques, drafts on hand	<b>308.60</b>	109.20
Cash on hand	<b>3.19</b>	3.94
	<b>592.72</b>	476.72
(b) Other bank balances		
Dividend Accounts	<b>4.21</b>	1.93
Bank deposits with original maturity more than 3 months [Refer Note (c) and (d) below]	<b>239.70</b>	259.09
	<b>836.63</b>	737.74
(c) Amount lying in deposit accounts with banks as at 31st March, 2016 includes ₹ 196.50 crore (31.03.2015 : ₹ 185 crore) appropriated for upto the previous year towards fund for unforeseen exigencies and interest attributable thereto.		
(d) Bank deposits with original maturity more than 3 months under Other bank balances include ₹ 20 crore (31.03.2015 : ₹ 31 crore) having maturity more than 12 months as on the reporting date.		

# Notes forming Part of Financial Statements *(Contd.)*



	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 21 SHORT-TERM LOANS AND ADVANCES</b>		
(a) Advances to related parties		
Unsecured, considered good		
Miscellaneous advance to subsidiaries	13.24	18.18
Miscellaneous advance to joint venture company	0.01	–
	<u>13.25</u>	<u>18.18</u>
(b) Other Advances		
Unsecured, considered good		
Advance for goods and services	36.80	47.59
Advance tax (net of provision)	9.72	6.70
Others	85.00	131.71
	<u>131.52</u>	<u>186.00</u>
	<u>144.77</u>	<u>204.18</u>
<b>NOTE - 22 OTHER CURRENT ASSETS</b>		
(a) Deferred Payment	133.36	145.56
(b) Receivable towards claims and services rendered – considered good	69.80	42.14
(c) Interest accrued on Bank Deposits	10.73	4.60
(d) Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted	0.72	0.72
(e) Others (refer note 43)	–	296.73
	<u>214.61</u>	<u>489.75</u>

## Notes forming Part of Financial Statements (Contd.)

### NOTE - 23 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

- (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 towards borrowing / financing obligations of subsidiaries and a body corporate from banks, not provided for amounting to ₹ 104.22 crore (31.03.2015 : ₹ 162.57 crore), ₹ 1585.33 crore ( 31.03.2015 : ₹ 1597.48 crore) and ₹ 77.07 crore (31.03.2015 : ₹ 104.59 crore) respectively.
- (c) Other money for which the Company is contingently liable :  
(i) Income tax matters : Nil (31.03.2015 : ₹ 12.74 crore)  
(ii) Other matters : Nil (31.03.2015 : ₹ 20.50 crore)
- (d) The Company has ongoing commitment to extend support and provide equity to the subsidiaries, in respect of various projects and otherwise (where, in certain cases there are restriction on transfer of investments).  
The future cash outflow in respect of above cannot be ascertained at this stage.
- (e) For commitment relating to leasing arrangement, refer note 35.

	2015-16	2014-15
<b>NOTE - 24 REVENUE FROM OPERATIONS</b>		
(a) Earnings from sale of electricity	<b>6,434.44</b>	6,132.22
(b) Other Operating Revenue		
Meter Rent	<b>47.31</b>	45.63
Others	<b>11.32</b>	10.95
	<b>6,493.07</b>	6,188.80

- (c) Earnings from sale of electricity are determined in accordance with the relevant orders of the Commission, where appropriate, giving due effect to the required adjustments which include a sum of ₹ 31.89 crore (previous year : ₹ 207.74 crore) in respect of the cost of electrical energy purchased, fuel and related costs and also those relating to revenue account, based on the Company's understanding of the applicable regulatory provisions on this count, after giving effect of the impact arising from applicable orders in this regard for earlier years and the net impact of the said adjustments has been included in Other long term liabilities, to the extent applicable. The accurate quantification and disposal of the matters are being given effect to, from time to time, on receipt of necessary direction from the appropriate authorities relating to the applicable matters including that may arise in respect of the mining of coal from Sarisatolli mine which commenced from 10th April, 2015 following the said mine having been allotted to the Company effective 1st April, 2015 pursuant to the auction conducted by the Ministry of Coal, Government of India under the provisions of the applicable laws, which was duly informed to West Bengal Electricity Regulatory Commission (WBERC). The said earnings are also net of discount for prompt payment of bills allowed to consumers on a net basis from month to month and advance against depreciation amounting to ₹ 76.96 crore (previous year : ₹ 65.66 crore) and ₹ 150.11 crore (previous year : ₹ 82.68 crore) respectively.

## Notes forming Part of Financial Statements (Contd.)

	₹ in Crore	
	2015-16	2014-15
<b>NOTE - 25 OTHER INCOME</b>		
(a) Interest Income	29.65	24.74
(b) Gain on sale of current investments (net)	56.60	30.33
(c) Profit on sale of assets (net)	0.54	-
(d) Other Non-operating Income	36.32	29.73
	<b>123.11</b>	<b>84.80</b>

### NOTE - 26 COST OF FUEL

- (a) The consumption of coal for the year 2015-16 works out to 43,47,348 Tonnes (previous year 54,19,643 Tonnes) having a value of ₹ 1501.14 crore (previous year ₹ 1779.82 crore).
- (b) Cost of fuel shown in the Statement of Profit and Loss includes freight of ₹ 274.08 crore (previous year ₹ 300.08 crore) and gain of ₹ 0.11 crore (previous year gain ₹ 1.78 crore) towards exchange fluctuation and is net off write back of ₹ 170.46 crore (previous year ₹ Nil) pursuant to settlement on this count.
- (c) The consumption oil for the year 2015-16 works out to 3245.33 Kilolitres (previous year 3964.21 Kilolitres) having a value of ₹ 16.61 crore (previous year ₹ 25.10 crore)

	₹ in Crore	
	2015-16	2014-15
<b>NOTE - 27 EMPLOYEE BENEFIT EXPENSES</b>		
(A) 1 Salaries, wages and bonus	738.42	671.25
2 Contribution to provident and other funds	97.66	98.27
3 Employees' welfare expenses	38.36	39.58
	<b>874.44</b>	<b>809.10</b>
Less : Allocated / transfer to capital account etc.	<b>125.63</b>	<b>115.01</b>
	<b>748.81</b>	<b>694.09</b>

#### (B) Employee Benefits

The Company makes contributions for provident fund and pension (including for superannuation) towards retirement benefit plans for eligible employees. Under the said plans, the Company is required to contribute a specified percentage of the employees' salaries to fund the benefits. During the year, based on applicable rates, the Company has recognised ₹ 54.44 crore (previous year : ₹ 56.23 crore) on this account in the Statement of Profit and Loss. The Company also makes annual contribution to independent trust, who in turn, invests in the Employees Group Gratuity Scheme of eligible agencies for qualifying employees. Liabilities at the year-end for gratuity, leave encashment and other retiral benefits including medical have been determined on the basis of actuarial valuation carried out by an independent actuary, based on the method prescribed in Accounting Standard 15 – "Employee Benefits" of the Companies (Accounting Standard) Rules, 2006.

# Notes forming Part of Financial Statements (Contd.)

## NOTE - 27 EMPLOYEE BENEFIT EXPENSES (Contd.)

### Net Liability / (Asset) recognized in the Balance Sheet :

₹ in Crore

	For the year ended 31st March, 2016					For the year ended 31st March, 2015				
	Gratuity	Leave Encashment	Medical	Pension	Interest Guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest Guarantee
Present value of funded obligation	321.76	-	-	-	-	286.74	-	-	-	-
Fair Value of Plan Assets	280.48	-	-	-	-	246.18	-	-	-	-
Present value of un-funded obligation	41.28	-	-	-	-	40.56	-	-	-	-
Unrecognised past service cost	-	117.83	50.49	31.27	0.00	-	104.76	42.23	24.69	0.00
<b>Net Liability/(Asset)</b>	<b>41.28</b>	<b>117.83</b>	<b>50.49</b>	<b>31.27</b>	<b>0.00</b>	<b>40.56</b>	<b>104.76</b>	<b>42.23</b>	<b>24.69</b>	<b>0.00</b>

	For the year ended 31st March, 2014					For the year ended 31st March, 2013			For the year ended 31st March, 2012		
	Gratuity	Leave Encashment	Medical	Pension	Interest Guarantee	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Present value of funded obligation	244.59	-	-	-	-	192.57	-	-	169.55	-	-
Fair Value of Plan Assets	194.21	-	-	-	-	183.43	-	-	160.74	-	-
Present value of un-funded obligation	50.38	-	-	-	0.00	9.14	-	-	8.81	-	-
Unrecognised past service cost	-	87.94	32.84	25.78	2.20	-	69.11	23.70	-	59.46	18.59
<b>Net Liability/(Asset)</b>	<b>50.38</b>	<b>87.94</b>	<b>32.84</b>	<b>25.78</b>	<b>2.20</b>	<b>9.14</b>	<b>69.11</b>	<b>23.70</b>	<b>8.81</b>	<b>59.46</b>	<b>18.59</b>

### Experience Adjustment

₹ in Crore

	2015-2016					2014-2015				
	Gratuity	Leave Encashment	Medical	Pension	Interest Guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest Guarantee
Experience (Gain) / Loss adjustment on plan liabilities	22.45	9.79	(2.64)	(0.67)	-	15.73	6.04	0.81	(3.12)	(2.41)
Experience (Gain) / Loss adjustment on plan assets	0.23	-	-	-	-	4.50	-	-	-	-
Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption	0.56	0.24	7.74	4.09	-	17.55	7.79	7.20	3.66	0.00
	<b>23.24</b>	<b>10.03</b>	<b>5.10</b>	<b>3.42</b>	<b>-</b>	<b>37.78</b>	<b>13.83</b>	<b>8.01</b>	<b>0.54</b>	<b>(2.41)</b>

	2013-2014					2012-2013		
	Gratuity	Leave Encashment	Medical	Pension	Interest Guarantee	Gratuity	Leave Encashment	Medical
Experience (Gain) / Loss adjustment on plan liabilities	62.86	22.62	2.24	6.62	(0.18)	7.80	3.96	3.51
Experience (Gain) / Loss adjustment on plan assets	1.95	-	-	-	-	(1.53)	-	-
Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption	(13.64)	(5.40)	(3.74)	(0.09)	2.20	7.30	3.01	0.95
	<b>51.17</b>	<b>17.22</b>	<b>(1.50)</b>	<b>6.53</b>	<b>2.02</b>	<b>13.57</b>	<b>6.97</b>	<b>4.46</b>

### Expenditure shown in the Note 27 to Statement of Profit and Loss as follows :

₹ in Crore

	For the year ended 31st March, 2016					For the year ended 31st March, 2015				
	Gratuity	Leave Encashment	Medical	Pension	Interest Guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest Guarantee
Current Service Cost	16.83	2.99	1.46	-	-	11.01	2.19	-	-	-
Interest Cost	22.31	8.15	3.28	1.92	-	21.42	7.77	2.95	2.20	0.20
Expected Return on Plan Assets	(19.15)	-	-	-	-	(19.17)	-	-	-	-
Actuarial loss/(gain)	23.24	10.03	5.10	3.42	-	28.78	13.83	8.00	0.54	(2.40)
Plan Amendment	-	-	-	5.70	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>43.23</b>	<b>21.17</b>	<b>9.84</b>	<b>11.04</b>	<b>-</b>	<b>42.04</b>	<b>23.79</b>	<b>10.95</b>	<b>2.74</b>	<b>(2.20)</b>

## Reconciliation of Opening and Closing Balances of the present value of obligations :

₹ in Crore

	For the year ended 31st March, 2016					For the year ended 31st March, 2015				
	Gratuity	Leave Encashment	Medical	Pension	Interest Guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest Guarantee
Opening defined benefit obligation	286.74	104.76	42.23	24.69	–	244.59	87.93	32.84	25.78	2.20
Current Service Cost	16.83	2.49	1.46	–	–	11.01	2.19	–	–	–
Past Service Cost	–	–	–	–	–	–	–	–	–	–
Interest Cost	22.31	8.15	3.28	1.92	–	21.42	7.77	2.95	2.20	0.20
Plan Amendments	–	–	–	5.70	–	–	–	–	–	–
Actuarial loss/(gain)	23.01	10.03	5.10	3.42	–	33.28	13.83	8.00	0.54	(2.40)
Benefits paid	(27.13)	(8.10)	(1.58)	(4.46)	–	(23.56)	(6.96)	(1.56)	(3.83)	–
<b>Closing Defined Benefit Obligation</b>	<b>321.76</b>	<b>117.33</b>	<b>50.49</b>	<b>31.27</b>	<b>–</b>	<b>286.74</b>	<b>104.76</b>	<b>42.23</b>	<b>24.69</b>	<b>–</b>

## Reconciliation of Opening and Closing Balances of fair value of plan assets :

₹ in Crore

	For the year ended 31st March, 2016					For the year ended 31st March, 2015				
	Gratuity	Leave Encashment	Medical	Pension	Interest Guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest Guarantee
Opening fair value of Plan Assets	246.18	–	–	–	2.20	194.21	–	–	–	–
Expected Return on Plan Assets	19.15	–	–	–	–	19.17	–	–	–	–
Actual Company Contributions	42.51	–	–	–	–	51.86	–	–	–	–
Actuarial gain/(loss)	(0.23)	–	–	–	–	4.50	–	–	–	–
Benefits paid	(27.13)	–	–	–	–	(23.56)	–	–	–	–
<b>Closing Fair Value on Plan Assets</b>	<b>280.48</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2.20</b>	<b>246.18</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Actual Return on Plan Assets ₹ 18.92 crore

₹ 23.68 crore

Plan Assets consist of funds maintained with LIC, ICICI Prudential, Birla Sun Life and HDFC Standard Life.

Above disclosures as required by AS-15 – “Employee Benefits” are given to the extent available from the actuarial report.

## Effect of increase/decrease of one percentage point in the assumed medical inflation rates :

₹ in Crore

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Increase	Decrease	Increase	Decrease
Effect on aggregate of interest cost and current service cost	–	–	–	–
Effect on defined benefit obligation	50.99	(38.58)*	42.64	(31.10)*

\* in case of hospitalised treatment only

## Principal Actuarial Assumptions Used :

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Discount Rates	7.75%	7.78%
Expected Return on Plan Assets	7.78%	9.20%
Rate of increase in medical cost trend	2.50%	2.50%
Mortality Rates	“LIC 2006-08 Ultimate”	“LIC 2006-08 Ultimate”

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors . The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations. The contribution expected to be made by the Company for the year ending 31st March, 2016 is not readily ascertainable and therefore not disclosed.

# Notes forming Part of Financial Statements (Contd.)



	₹ in Crore	
	2015-16	2014-15
<b>NOTE - 28 FINANCE COSTS</b>		
(a) Interest expense	466.34	424.79
(b) Other Borrowing Costs	6.29	9.01
	<b>472.63</b>	433.80
Less : Allocated to capital account	19.46	25.94
	<b>453.17</b>	407.86
<b>NOTE - 29 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation/ amortisation on tangible assets	463.73	441.56
Amortisation on intangible assets	17.47	11.27
	<b>481.20</b>	452.83
Less : Recoupment from revaluation reserve	112.00	109.76
	<b>369.20</b>	343.07
<b>NOTE - 30 OTHER EXPENSES</b>		
(a) Consumption of stores and spares	280.82	313.42
(b) Repairs		
Building	12.12	11.03
Plant and Machinery	93.17	111.70
Distribution System	96.69	96.26
Others	6.31	5.09
	<b>208.29</b>	224.08
(c) Insurance	7.70	7.97
(d) Rent (including lease rent ₹ 10.72 crore; previous year - ₹ 10.95 crore)	21.50	20.07
(e) Rates and taxes	8.55	8.62
(f) Bad debts / Advances made	35.28	36.32
(g) Amortisation of miscellaneous expenditure	0.72	0.72
(h) Interest on Consumer's Security Deposits	98.61	88.40
(i) Foreign Exchange Restatement	(12.20)	(8.82)
(j) Miscellaneous expenses	278.84	326.06
	<b>928.11</b>	1016.84
Less : Allocated / transfer to capital, deferred payment etc.	168.72	199.38
	<b>759.39</b>	817.46
(k) Miscellaneous expenses in (j) above include research and development expense of ₹ 0.31 crore (previous year : ₹ 1.31 crore) and adjustment of Nil (previous year : ₹ 16.26 crore) on account of withdrawal of provision relating to non-executive director's commission, not being payable.		



## Notes forming Part of Financial Statements (Contd.)

(l) Miscellaneous expenses shown in (j) above include Auditor's Remuneration and expenses : ₹ in Crore

	2015-16	2014-15
1. Audit fees	0.65	0.55
2. Tax Audit	0.08	0.05
3. Other Services	2.11	3.16
4. Reimbursement of expenses (including applicable service tax)	—	0.07

(m) Values of raw materials and stores and spare parts consumed (excluding on capital account) :

	2015-16		2014-15	
	₹ In Crore	%	₹ In Crore	%
Raw Material				
Imported	125.85	8.29	151.35	8.38
Indigenous	1,391.90	91.71	1,653.67	91.62
	1,517.75	100.00	1,805.02	100.00
Stores and Spare Parts				
Imported	—	—	—	—
Indigenous	99.89	100.00	105.22	100.00
	99.89	100.00	105.22	100.00

**NOTE - 31** The major components of Deferred Tax Assets / (Liabilities) based on the timing difference as at 31st March, 2016 are as under :

	2015-16	2014-15
Liabilities		
Excess of tax depreciation over book depreciation	(1,435.95)	(1,256.35)
Assets		
Items covered under section 43B	14.51	15.40
Others including items covered under section 35DDA, 35DD	1.18	0.09
	(1,420.26)	(1,240.86)
Less : Recoverable	1,420.26	1,240.86
<b>Deferred Tax Liabilities (Net)</b>	—	—

**NOTE - 32** In terms of the provisions of the Companies Act, 2013, members of the Company at the 37th Annual General Meeting held on 31st July, 2015 have approved payment of commission to the Non Executive Directors commencing from the Financial Year 2014-15 at a rate not exceeding 3% p.a. 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 11% of the net profits for the relevant Financial Year. The said commission has been fully provided for the year 2015-16.

**NOTE - 33** Outstanding foreign currency loans as on 31st March, 2016 as disclosed in Note 5, stands fully hedged in Indian Rupee. Trade Payables include Nil (31.03.2015 : ₹ 18.25 crore) representing amount payable in United States Dollar which have not been hedged.

**NOTE - 34** Based on a review of the projected business prospects of the Company's subsidiaries, inspite of present losses in many of them, the management does not foresee any diminution, other than temporary, in the value of the Company's investments and share application money placed therein.

**NOTE - 35** 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 ₹ 3.45 crore (previous year : ₹ 3.50 crore) and ₹ 5.78 crore (previous year : ₹ 10.21 crore) during next one year and thereafter till five years respectively. There are no restrictions in respect of such leases.

## Notes forming Part of Financial Statements (Contd.)

### NOTE - 36 Earnings per share :

#### Computation of Earnings per share

Particulars		2015-16	2014-15
Profit After Tax (₹ in Crore)	(A)	707.01	697.72
Weighted Average no. of shares for Earnings per share	(B)	13,25,57,043	12,80,05,252
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)		53.34	54.51

**NOTE - 37** The Company is engaged in generation and distribution of electricity and does not operate in any other reportable segment.

### NOTE - 38 Related Parties disclosures

#### (a) Related Parties and their relationship

Names of Related Parties	Nature of Relationship
Spencer's Retail Limited (SRL)	Subsidiary Company
Au Bon Pain Café India Limited	Subsidiary of Spencer's Retail Limited
Music World Retail Limited	Subsidiary of Spencer's Retail Limited
Omnipresent Retail India Private Limited	Subsidiary of Spencer's Retail Limited, w.e.f. 14.12.2015
Quest Properties India Limited (QPIL)	Subsidiary Company
Metromark Green Commodities Pvt. Ltd.	Subsidiary of Quest Properties India Limited
CESC Infrastructure Limited	Subsidiary Company
Haldia Energy Limited (HEL)	Subsidiary of CESC Infrastructure Limited
Dhariwal Infrastructure Limited (DIL)	Subsidiary of CESC Infrastructure Limited
Surya Vidyut Limited	Subsidiary Company
Nalanda Power Company Limited	Subsidiary Company
CESC Projects Limited	Subsidiary Company
Bantal Singapore Pte. Limited	Subsidiary Company
Ranchi Power Distribution Company Limited	Subsidiary Company
Pachi Hydropower Projects Limited	Subsidiary Company
Papu Hydropower Projects Limited	Subsidiary Company
Spen Liq Private Limited	Subsidiary Company
Firstsource Solutions Limited	Subsidiary of Spen Liq Private Limited
Firstsource Group USA, Inc.	Subsidiary of Firstsource Solutions Limited
Firstsource BPO Ireland Ltd.	Subsidiary of Firstsource Solutions Limited
Firstsource Solutions UK Limited	Subsidiary of Firstsource Solutions Limited
Firstsource Process Management Services Limited (earlier known as Anunta Tech Infrastructure Services Ltd.)	Subsidiary of Firstsource Solutions Limited
Firstsource Dialog Solutions (Private) Limited (FDS)	Subsidiary of Firstsource Solutions Limited
Firstsource Business Process Services, LLC	Subsidiary of Firstsource Group USA, Inc.
Med Assist Holding LLC (earlier known as Med Assist Acquisition Inc.)	Subsidiary of Firstsource Group USA, Inc.
Firstsource Solutions USA LLC (earlier known as MedAssist LLC)	Subsidiary of MedAssist Holding, LLC
Firstsource Advantage, LLC	Subsidiary of Firstsource Business Process Services, LLC
Firstsource Transaction Services, LLC (FTS)	Subsidiary of Firstsource Solutions USA, LLC
Firstsource Solution S.A. (FSL Arg)	Subsidiary of Firstsource Solutions UK Limited
One Advantage LLC (OAL)	Subsidiary of Firstsource Business Process Services, LLC
Mr. Sanjiv Goenka	Chairman
Sheesham Commercial Pvt Limited	Subsidiary Company
Water Hyacinth Commosale Pvt Limited	Subsidiary Company
Wigeon Commotrade Pvt Limited	Subsidiary Company
Crescent Power Limited	Subsidiary Company
New Rising Promoters Private Limited	Subsidiary of Crescent Power Limited w.e.f., 4 Dec., 2015
Mahuagarhi Coal Company Private Limited	Joint Venture
Mr. Aniruddha Basu	Managing Director - Key Management Personnel

## Notes forming Part of Financial Statements (Contd.)

**(b) Details of transaction between the Company and above related parties and status of outstanding balance :**

₹ In Crore

Nature of Transactions	Subsidiaries		Joint Venture		Key Management Personnel		Total	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Acquisition of investment</b>								
- Spencer's Retail Limited	86.32	104.06					86.32	104.06
- CESC Infrastructure Limited	245.00	328.00					245.00	328.00
- Quest Properties India Limited	9.80	42.50					9.80	42.50
- Nalanda Power Company Limited	–	–					–	–
- Surya Vidyut Limited	5.00	42.00					5.00	42.00
- CESC Projects Limited	6.60	5.25					6.60	5.25
- Papu Hydropower Projects Limited	–	1.00					–	1.00
- Pachi Hydropower Projects Limited	–	1.00					–	1.00
- Spen Liq Private limited	–	–					–	–
- Ranchi Power Distribution Company Limited	4.50	11.00					4.50	11.00
- Sheesham Commercial Pvt Limited	–	0.01					–	0.01
- Water Hyacinth Commosale Pvt Limited	–	0.01					–	0.01
- Wigeon Commotrade Pvt Limited	–	0.00					–	0.00
- Crescent Power Limited	31.00	40.85					31.00	40.85
<b>Advance for Share Subscription</b>								
- Spencer's Retail Limited (net of refund of ₹ 400 crore; previous year - ₹ 455 crore)	113.00	148.60					113.00	148.60
- Quest Properties India Limited	9.80	42.50					9.80	42.50
- CESC Infrastructure Limited (net of refund of ₹ Nil; previous year - ₹ 50 crore)	245.00	328.00					245.00	328.00
- Surya Vidyut Limited (net of refund of ₹ Nil; previous year - ₹ 15 crore)	5.00	42.00					5.00	42.00
- CESC Projects Limited	6.60	5.25					6.60	5.25
- Papu Hydropower Projects Limited	–	1.00					–	1.00
- Pachi Hydropower Projects Limited	–	1.00					–	1.00
- Spen Liq Private limited (net of refund)	–	(0.00)					–	(0.00)
- Ranchi Power Distribution Company Limited	4.50	11.00					4.50	11.00
<b>Expense Recoverable/(Payable)</b>								
- Dhariwal Infrastructure Limited	0.48	1.46					0.48	1.46
- CESC Infrastructure Limited	(0.16)	(0.26)					(0.16)	(0.26)
- Surya Vidyut Limited (net of recovery of ₹ 0.15 crore ; previous year ₹ 0.27 crore )	0.79	0.15					0.79	0.15
- Quest Properties India Limited (net of recovery of ₹ Nil ; previous year ₹ 0.24 crore)	2.37	1.97					2.37	1.97
- Papu Hydropower Projects Limited	–	0.57					–	0.57
- Pachi Hydropower Projects Limited	0.03	0.98					0.03	0.98
- CESC Projects Limited	(0.68)	(0.31)					(0.68)	(0.31)
- Ranchi Power Distribution Company Limited	0.63	1.68					0.63	1.68
- Mahuagarhi Coal Company Private Limited	–	–		1.06			–	1.06
- Haldia Energy Limited (net of recovery of ₹ 24.69 crore; previous year - ₹ 0.05 crore)	3.13	4.70					3.13	4.70

## Notes forming Part of Financial Statements (Contd.)

₹ in Crore

Nature of Transactions	Subsidiaries		Joint Venture		Key Management Personnel		Total	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
<b>Income from sale / services</b>								
- Spencer's Retail Limited	10.26	9.65					10.26	9.65
- Music World Retail Limited	–	–					–	–
- Au Bon Pain Café India Limited	0.37	0.36					0.37	0.36
- Haldia Energy Limited	0.85	2.46					0.85	2.46
- Crescent Power Limited	32.71	0.07					32.71	0.07
- CESC Properties Limited	25.62	23.84					25.62	23.84
<b>Expenses incurred</b>								
- Spencers' Retail Ltd.	0.63	0.13					0.63	0.13
- Haldia Energy Limited	1,704.01	203.78					1,704.01	203.78
- Crescent Power Limited	12.21	0.06					12.21	0.06
- Dhariwal Infrastructure Limited	0.32	–					0.32	–
- First Source Solutions Limited	1.63	1.85					1.63	1.85
<b>Security Deposit</b>								
- Quest Properties Limited	0.01	–					0.01	–
- Au Bon Pain Café India Limited	–	–					–	–
- Music World Retail Limited	–	–					–	–
- Spencer's Retail Limited	0.01	0.01					0.01	0.01
<b>Balances written off</b>								
- Mahuagarhi Coal Company Private Limited	–	–	–	1.94			–	1.94
- Ranchi Power Distribution Company Limited	–	5.04					–	5.04
<b>Remuneration</b>					2.26	1.58	2.26	1.58
<b>Outstanding Balance</b>								
- Debit	1,133.09	1,190.95	–	–	–	–	1,133.09	1,190.95
- Credit	–	–	–	–	0.48	0.48	0.48	0.48

### Borrowing/Financing obligation :

During the year, (i) a sum of ₹ 52.92 crore ( previous year : ₹ 24.85 crore) as dividend for financial year 2014-15 and ₹ 58.79 crore as interim dividend for the year 2015-16 were paid to Rainbow Investments Limited, an enterprise related to the Company in terms of Para 3(e) of Accounting Standard AS -18 issued by ICAI, holding 44% in the paid up share capital of the Company ( 25% in 2013-14) and (ii) Commission and sitting fees paid to the Chairman amounting to ₹ 23.36 crore ( previous year : ₹ 8.49 crore). Also refer Note 23(b) above relating to commitments as on 31.03.2016 in respect of DIL, HEL, SRL and others amounting to ₹ 958.58 crore (31.03.2015 ₹ 638.86 crore), ₹ 151.00 crore (31.03.2015 ₹ 555.50 crore) , ₹ 351.85 crore (31.03.2015 : ₹ 280 crore ) and ₹ 123.90 crore (31.03.2015 : ₹ 123.12 crore) respectively.

## Notes forming Part of Financial Statements (Contd.)

**NOTE - 39 C.I.F. value of imports :**

₹ In Crore

	2015-16	2014-15
Capital Goods	–	–
Fuel	78.40	134.00
<b>Total</b>	<b>78.40</b>	<b>134.00</b>

**NOTE - 40 Expenditure in foreign currency :**

₹ In Crore

	2015-16	2014-15
Travelling	1.65	1.00
Others	1.94	2.54
<b>Total</b>	<b>3.59</b>	<b>3.54</b>

**NOTE - 41 Dividend remitted in foreign currency :**

On account of dividends to non-resident shareholders relating to previous year

	2015-16			2014-15		
	No. of Shareholders	No. of Shares held	Net amount remitted (₹ in Crore)	No. of Shareholders	No. of Shares held	Net amount remitted (₹ in Crore)
Equity Dividend	373	6,67,965	0.60	354	6,80,374	0.54

**NOTE - 42 Earnings in foreign exchange :**

₹ In Crore

	2015-16	2014-15
Income from Consultancy	–	0.05
<b>Total</b>	<b>0.00</b>	<b>0.05</b>

**NOTE - 43** Additional levy amounting to ₹ 998 crore paid to the account of the Central Government, in terms of the provisions of the Coal Mines (Special Provisions) Ordinance, 2014, read with the Coal Mines (Special Provisions) Rules, 2014 framed thereunder, Coal Mines (Special Provisions) Second Ordinance, 2014 and Coal Mines (Special Provisions) Act, 2015, relating to the output of Sarisatolli Coal block for meeting part of the Company's coal requirement since inception to 31st March, 2015, has been considered as recoverable (accounted for in the year ended 31st March 2015 as exceptional item and partly fuel cost) by way of tariff in terms of the applicable laws / regulations, for which appropriate reference has been made to West Bengal Electricity Regulatory Commission, and being pursued by the management, the nature of payment being in the form of levy and given the facts and circumstances of the incidence thereof.

**NOTE - 44** 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 is 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. The Company has considered the implication of withdrawal of the Guidance Note on Treatment of Reserves arising on revaluation of assets, by the Institute of Chartered Accountants of India, from 14 October, 2015 and announced on 21 October, 2015 in its financial statements and based on legal opinions and independent accounting opinions obtained, continues with the consistently followed practice of recouping from the Revaluation Reserve the additional charge of depreciation relating to the increase in value arising from revaluation, which for the year ended 31st March, 2016 amounts to ₹ 112.00 crore (previous year ₹ 109.76 crore).

## Notes forming Part of Financial Statements (Contd.)

**NOTE - 45** In terms of the provisions of Companies Act, 2013, the required Corporate Social Responsibility (CSR) spending works out to ₹ 16.53 crore ( previous year : ₹ 15.17 crore ), which has been met by way of contribution to a trust set up for the said purpose and direct expenditure of ₹ 14.57 crore ( previous year : ₹ 12.11crore ) and ₹ 2.02 crore ( ₹ 3.06 crore ) respectively.

**NOTE - 46 Quantitative information :**

(Million kWh)

	2015-16	2014-15
(a) Total number of units generated during the year	6988	8596
(b) Total number of units consumed in Generating Stations	580	721
(c) Total number of units sent out	6408	7875
(d) Total number of units purchased during the year	4231	2346
(e) Total number of units through Unscheduled Interchange (Net)	46	37
(f) Total number of units delivered	10685	10258
(g) Total number of units sold as per meter readings	9201	8937
(h) Total number of units sold to persons other than own consumers and WBSEDCL	205	50
(i) Total number of units consumed in Company's premises	24	22
(j) Total number of units sold to WBSEDCL	40	47

**NOTE - 47** The derated installed capacity of the Generating Stations of the Company (as per certification of technical expert) as on 31st March, 2016 was 1125000 kW (31st March, 2015 : 1125000 kW).

**NOTE - 48** The Company has reclassified previous year's figures to conform to this year's classification alongwith other regrouping / rearrangement wherever necessary.

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

Sougata Mukherjee  
Partner  
Membership No. : 057084  
Kolkata, 19th May, 2016

Subhasis Mitra  
Company Secretary

Rajarshi Banerjee  
Executive Director & CFO

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka  
Managing Director Aniruddha Basu

# Ten Years at a Glance : 2007 - 2016

₹ in Crore

Year ended 31st March	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue from operations and Other Income	2,577	2,930	3,200	3,449	4,247	4,782	5,410	5,609	6,274	<b>6,616</b>
Profit before Taxation	341	403	465	522	614	693	773	825	883	<b>899</b>
Taxation	40	48	55	89	126	139	155	173	185	<b>192</b>
Profit after Taxation	301	355	410	433	488	554	618	652	698	<b>707</b>
Proposed Dividend including tax thereon	35	58	58	58	58	73	102	117	144	–
Interim Dividend including tax thereon	–	–	–	–	–	–	–	–	–	<b>160</b>
<b>EQUITY AND LIABILITIES</b>										
Share Capital	85	126	126	126	126	126	126	126	133	<b>133</b>
Reserves and Surplus	3,730	4,461	4,757	5,071	5,444	5,886	6,369	6,913	7,947	<b>8,502</b>
Borrowings	1,798	1,629	2,398	2,812	2,643	2,600	3,213	3,379	4,324	<b>4,425</b>
Security Deposits	652	742	821	896	935	1,051	1,139	1,280	1,408	<b>1,575</b>
Advance against Depreciation	100	198	338	447	514	566	714	777	860	<b>1,010</b>
Non-Current Liabilities					809	889	1,612	1,781	2,006	<b>1,769</b>
Current Liabilities (excluding Short Term Borrowings)	983	1,214	1,687	1,729	1,261	1,609	1,726	2,073	2,240	<b>1,912</b>
	<u>7,348</u>	<u>8,370</u>	<u>10,127</u>	<u>11,081</u>	<u>11,732</u>	<u>12,727</u>	<u>14,899</u>	<u>16,329</u>	<u>18,918</u>	<u><b>19,326</b></u>
<b>ASSETS</b>										
Fixed Assets (less Depreciation)	5,556	5,829	6,882	7,511	7,735	8,091	8,568	9,029	9,496	<b>9,893</b>
Investments	241	570	310	679	1,084	1,133	2,178	3,191	4,249	<b>4,646</b>
Non-Current Assets					96	75	1,525	1,374	1,954	<b>2,307</b>
Current Assets (excluding Current Investments)	1,551	1,971	2,935	2,891	2,817	3,428	2,628	2,735	3,219	<b>2,480</b>
	<u>7,348</u>	<u>8,370</u>	<u>10,127</u>	<u>11,081</u>	<u>11,732</u>	<u>12,727</u>	<u>14,899</u>	<u>16,329</u>	<u>18,918</u>	<u><b>19,326</b></u>
Additions to Fixed Assets	232	302	694	1,954	625	638	870	892	1,074	<b>957</b>
Depreciation	158	168	175	206	267	289	306	339	343	<b>369</b>
Units sold (millions)	6,424	6,948	7,206	7,595	8,135	8,271	8,577	8,591	8,937	<b>9,201</b>
Units exported (millions)	458	441	302	158	146	173	74	142	97	<b>245</b>
System Maximum Demand (megawatts)	1,359	1,436	1,450	1,584	1,657	1,727	1,904	1,865	2,042	<b>2,035</b>
No. of Consumers ( in Lakh)	21.83	22.08	22.94	23.84	24.89	25.86	27.02	28.10	29.20	<b>30.37</b>

## Note :

The Company was using pre-revised Schedule VI to the Companies Act ,1956, for preparation and presentation of its financial statement for previous year's figures till the year ended 31st March 2011. From the year ended 31st March 2012, the revised Schedule VI notified under Companies Act,1956 has become applicable to the Company.

The Company has reclassified previous year's figures to conform to this year's classification alongwith other regrouping / rearrangement where ever necessary.

## Major Statistics : 2015 - 2016

Generating Capacity	Budge Budge Generating Station	750	MW
	Southern Generating Station	135	MW
	Titagarh Generating Station	240	MW
220/132/33 KV Substations	Installed Capacity	1120	MVA
132/33 KV Substations	Installed Capacity	2757	MVA
Distribution Stations	Number of Stations	113	
	Transformer Capacity	3642	MVA
LT Substations	No. of AC Substations	8039	
	Transformer Capacity	2704	MVA
	No. of DC Substations		
	DC Substations Capacity		
Distribution Network (Circuit KM.)	220 KV UG	40.0	Ckt. Km.
	220 KV OH	221.0	Ckt. Km.
	132 KV UG	284.0	Ckt. Km.
	132 KV OH	81.0	Ckt. Km.
	33 KV UG	1435.0	Ckt. Km.
	33 KV OH	92.0	Ckt. Km.
	20 KV UG	50.0	Ckt. Km.
	11 & 6 KV UG	6394.0	Ckt. Km.
	11 & 6 KV OH	87.0	Ckt. Km.
	3.3 KV UG	21.0	Ckt. Km.
LT Distribution	UG	7546	Ckt. Km.
	OH	5280	Ckt. Km.
HT Capacitor	132 & 33 KV	627	MVAR
	6 & 11 KV	268	MVAR
<b>Additions During the Year</b>			
220/132/33 KV Substations	Nil	LT UG Mains	103.40 Ckt. Km.
132/33 KV Substations	225.0 MVA	LT OH Mains	169.00 Ckt. Km.
Distribution Stations	187.5 MVA	220 KV UG	5.25 Ckt. Km.
LTAC Substations	54.2 MVA	220 KV OH	Nil Ckt. Km.
No. of LT Services	15639 Nos	132 KV UG	6.15 Ckt. Km.
No. of HT Services	24 Nos	33 KV UG	47.56 Ckt. Km.
		11 & 6 KV UG	135.00 Ckt. Km.

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



# Independent Auditors' Report

To the Members of CESC Limited



## Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of CESC Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entity (refer Note [1(b) & (c)] to the attached Consolidated Financial Statements), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

## Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance and Consolidated cash flows of the Group including its jointly controlled entity in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including Financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its jointly controlled entity respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal Financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on

Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditors' judgement, 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 Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Consolidated Financial Statements.

## Basis for Qualified Opinion

7. We draw your attention to the following qualification in the audit opinion of the Consolidated Financial Statements of Spencer's Retail Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants vide its Report dated May 18, 2016 reproduced by us as under:

"Attention is drawn to note no. 11 to the Consolidated Financial Statements regarding continuation of net deferred tax asset (DTA) of ₹ 310.53 crore in the accounts based on the future profitability projections made by the management. However, in the absence of virtual certainty as stated in Accounting Standard 22 on Deferred Taxes, we are unable to express any opinion on the projections and their consequent impact if any, on such Deferred Tax Asset.

Had the above asset been reversed, there would be a loss of ₹ 478.70 crore as against the reported loss of ₹ 168.16 crore and shareholder's funds would have reduced by ₹ 310.53 crore. This had also caused us to qualify our audit opinion on the Consolidated Financial Statements relating to the preceeding year."

(Refer Note 35 of the attached Consolidated Financial Statements)

Had the deferred tax asset referred to above, been reversed in the Consolidated Financial Statements for the year, the profit for the group would have been reduced by ₹ 310.53 crore resulting in a profit of ₹ 55.86 crore as against the reported profit of ₹ 366.39 crore and the shareholders fund would have been reduced by ₹ 310.53 crore.

## Qualified Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and except for the effects of the matter described in the Basis for Qualified Opinion paragraph above give a true and fair view in conformity with the accounting principles generally accepted in India of the Consolidated state of affairs of the Group and jointly controlled entity as at March 31, 2016 and their Consolidated profit and their Consolidated cash flows for the year ended on that date.

## Emphasis of Matter

9. (a) We draw attention to Note No. 43 of the standalone Financial Statements of the Holding Company for the year ended March 31, 2016, relating to additional levy of ₹ 998 crore paid pursuant to Coal Mine Special Provision Act, 2015 read with related Rules / Ordinance, etc. and recognised as recoverable through tariff and accounted for in the year ended 31st March, 2015 (as exceptional item and fuel cost) for reasons stated in the referred note with respect to the Holding Company.

(Refer Note 49 of the attached Consolidated Financial Statements)

- (b) The Financial Statements of Firstsource Solutions Limited as of and for the year ended March 31, 2016, a subsidiary of CESC Limited, was audited by another firm of Chartered Accountants, who vide their report dated May 12, 2016 have reported as follows :

"Without qualifying our opinion, we draw attention to Note 35 to the Consolidated Financial Statements that describes the early adoption by the Company of AS 30, Financial Instruments : Recognition and Measurement, read with AS 31, Financial Instruments - Presentation, along with prescribed limited revisions to other Accounting Standards prescribed under the Act, as in management's opinion, it more appropriately reflects the nature/ substance of the related transactions. The Company has accounted for assets and liabilities as per requirements of AS 30 including prescribed limited revisions to other Accounting Standards. AS 30, along with limited revisions to the other Accounting Standards, has not currently been notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Consequent to the early adoption of AS 30 as stated above, the profit after taxation for the year is higher by ₹ 17.84 crore and Reserves and Surplus as at the balance sheet date is higher by ₹ 55.57 crore."

(Refer Note 42 of the attached Consolidated Financial Statements)

- (c) The Financial Statements of Mahuagarhi Coal Company Private Limited as of and for the year ended March 31, 2016, a jointly controlled entity of CESC Limited, was audited by another firm of Chartered Accountants, who

vide their report dated May 16, 2016 have reported as follows :

"We draw your attention to Note 2.9 of the Financial Statements relating to cancellation of the allotment of Mahuagarhi Coal Block by the Hon'ble Supreme Court of India. Consequently, total expenditure incurred by the Company towards development of the Mahuagarhi Coal block till 31st March, 2015 has been written off in the accounts for the year 2014-15 and share application money pending allotment as on 31-03-2015 has been shown under current liabilities - others. The Company has no other line of business and its future structuring is being worked out. Our conclusion is not qualified in respect of this matter".

(Refer Note 48 of the attached Consolidated Financial Statements. The share application money referred to above does not have any impact on the Consolidated Financial Statements)

Our opinion is not qualified in respect of these matters.

## Other Matter

10. We did not audit the Financial Statements of 32 subsidiaries, and 1 jointly controlled entity whose Financial Statements reflect total assets of ₹ 13,606.02 crore and net assets of ₹ 3,530.35 crore as at March 31, 2016, total revenue of ₹ 5,188.05 crore, net loss of ₹ 380.91 crore and net cash flows amounting to ₹ 256.76 crore for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and our report in terms of sub section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Statements/Financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that :
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, and jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid Consolidated Financial Statements have been

## Independent Auditors' Report (Contd.)

kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and jointly controlled entity incorporated in India including relevant records relating to the preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, except as reported by another firm of Chartered Accountants vide their audit reports dated May 18, 2016 and May 12, 2016 in respect of Spencer's Retail Limited, a subsidiary, as referred to in paragraph 7 and Firstsource Solutions Limited as referred to in paragraph 9 (b) above.

(e) The audit report on the Consolidated Financial Statements of Spencer's Retail Limited, a subsidiary of the Company, issued by an independent firm of Chartered Accountants vide its Report dated May 18, 2016 contains the following remark, which is reproduced by us as under:

"The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group."

(f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled Company incorporated in India, none of the directors of the Group companies and jointly controlled Company incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) The audit report on the Consolidated Financial Statements of Spencer's Retail Limited, a subsidiary of the Company issued by an independent firm of Chartered Accountants vide its Report dated May 18, 2016 contains the following remark, which is reproduced by us as under:

"The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above."

(h) With respect to the adequacy of the internal Financial controls over Financial reporting of the Holding Company, its subsidiary companies and jointly controlled Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the Consolidated Financial position of the Group and jointly controlled entities - Refer Note 24 (a) (i), 24 (a) (ii) and 24 (c) to the Consolidated Financial Statements.

ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2016 - Refer Note 51 to the Consolidated Financial Statements in respect of such items as it relates to the Group and jointly controlled entity.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled Company incorporated in India during the year ended March 31, 2016.

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

Sougata Mukherjee  
Partner  
Membership No. : 057084

Kolkata, May 19, 2016

# Annexure 'A' to Independent Auditors' Report

Referred to in paragraph 11(h) of the Independent Auditors' Report of even date to the members of CESC Limited on the Consolidated Financial Statements for the year ended March 31, 2016

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

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of CESC Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, and jointly controlled Company, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over Financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal Financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's

judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Basis for Qualified Opinion

8. We draw your attention to the following qualification with respect to internal financial controls over financial reporting included in the Auditor's Report on the Consolidated Financial Statements of Spencer's Retail Limited, a subsidiary of the Company issued by an independent firm of Chartered Accountants under Section 143(3)(i) of the Act, vide its Report dated May 18, 2016 and reproduced by us as under :

"According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls system over financial reporting in case of subsidiary companies, which are companies incorporated in India, in our

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



opinion a material weakness has been identified in the operating effectiveness of the Holding Company's internal financial controls as at March 31, 2016 over recognition of deferred tax assets resulting in the Company recognising such assets without establishing virtual certainty.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Holding Company's annual or interim Consolidated Financial Statements will not be prevented or detected on a timely basis."

### Qualified Opinion

9. In our opinion, the Holding Company, its subsidiary companies and its jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and

except for the effects of the material weakness described in the Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, such internal financial controls over financial reporting were operating effectively as of March 31, 2016, 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 ICAI.

### Other Matters

10. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 32 subsidiary companies and 1 jointly controlled Company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

Kolkata, May 19, 2016

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

Sougata Mukherjee  
Partner  
Membership No. : 057084

# Consolidated Balance Sheet as at 31st March, 2016

₹ in Crore

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4	133.22	133.22
Reserves and surplus	5	6,134.49	5,895.81
		<b>6,267.71</b>	6,029.03
<b>Minority Interest</b>			
		<b>1,149.69</b>	1,000.41
<b>Non-current liabilities</b>			
Long-term borrowings	6	10,477.59	10,122.52
Deferred tax liabilities(net)	35	79.50	83.16
Advance against Depreciation		1,009.69	859.58
Consumers' Security Deposit		1,574.62	1,407.71
Other long term liabilities	7	1,614.21	1,872.91
Long-term provisions	8	209.84	187.31
		<b>14,965.45</b>	14,533.19
<b>Current liabilities</b>			
Short-term borrowings	9	2,339.81	1,935.53
Trade Payables	10		
to micro enterprise and small enterprise		12.37	5.53
to others		585.71	595.14
Other current liabilities	11	3,214.66	3,616.11
Short-term provisions	12	101.77	223.18
		<b>6,254.32</b>	6,375.49
<b>TOTAL</b>		<b>28,637.17</b>	<b>27,938.12</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	13	18,893.63	18,655.06
Intangible assets	14	2,487.22	2,213.63
Capital work-in-progress		513.02	410.16
		<b>21,893.87</b>	21,278.85
Non-current investments	15	80.11	73.50
Deferred tax assets (net)	35	310.53	310.53
Long-term loans and advances	16	583.79	476.29
Other non-current assets	17	1,043.45	745.26
		<b>23,911.75</b>	22,884.43
<b>Current assets</b>			
Current Investments	18	620.56	596.14
Inventories	19	696.73	662.53
Trade receivables	20	1,414.58	1,706.55
Cash and bank balances	21	1,197.68	1,049.16
Short-term loans and advances	22	297.84	254.73
Other Current Assets	23	498.03	784.58
		<b>4,725.42</b>	5,053.69
<b>TOTAL</b>		<b>28,637.17</b>	<b>27,938.12</b>
<b>Notes forming part of Consolidated Financial Statements 1 - 57</b>			

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

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

 Sougata Mukherjee  
 Partner  
 Membership No. : 057084  
 Kolkata, 19th May, 2016

 Subhasis Mitra  
 Company Secretary

 Rajarshi Banerjee  
 Executive Director & CFO

For and on behalf of the Board of Directors

 Chairman Sanjiv Goenka  
 Managing Director Aniruddha Basu

# Consolidated Statement of Profit and Loss for the year ended 31st March, 2016



₹ in Crore

Particulars	Note No.	2015-16	2014-15
Revenue from operations	25	<b>11,899.52</b>	11,066.63
Other income	26	<b>219.05</b>	149.01
<b>Total Revenue</b>		<b><u>12,118.57</u></b>	<b><u>11,215.64</u></b>
<b>Expenses</b>			
Cost of electrical energy purchased for Power Business		<b>334.98</b>	1,119.61
Cost of materials consumed for Retail Business	27	<b>13.23</b>	13.50
Purchases of stock-in-trade for Retail Business		<b>1,504.07</b>	1,372.40
Changes in inventories of finished goods, stock-in-trade and work-in-progress for Retail Business	28	<b>(20.35)</b>	(31.45)
Cost of fuel for Power Business	29	<b>2,170.49</b>	2,011.17
Employee benefit expenses	30	<b>3,125.94</b>	2,889.15
Finance costs	31	<b>1,485.61</b>	956.48
Depreciation and amortisation expenses	32	<b>772.49</b>	588.94
Other expenses	33	<b>1,922.90</b>	1,797.74
<b>Total expenses</b>		<b><u>11,309.36</u></b>	<b><u>10,717.54</u></b>
Profit before Taxation, Exceptional Items and Minority Interest		<b>809.21</b>	498.10
Exceptional Items (Net)		<b>(3.97)</b>	896.73
Less : credited		-	(896.73)
Profit before Taxation and Minority Interest		<b>805.24</b>	498.10
<b>Tax expenses:</b>			
Current tax		<b>(329.74)</b>	(230.22)
MAT Credit		<b>17.68</b>	33.52
Current tax (net)		<b>(312.06)</b>	(196.70)
Deferred tax (net)		<b>(176.06)</b>	(200.08)
Recoverable/(Payable)		<b>179.40</b>	197.57
Profit after Taxation and Exceptional Items before Minority Interest		<b>496.52</b>	298.89
Minority Interest		<b>(130.13)</b>	(100.38)
<b>Profit for the year - transferred to Surplus</b>		<b><u>366.39</u></b>	<b><u>198.51</u></b>
Earnings per share(Face Value of ₹ 10 per share) :			
Basic and Diluted	36	<b>27.64</b>	15.51
<b>Notes forming part of Consolidated Financial Statements</b>	<b>1 - 57</b>		

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

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

Sougata Mukherjee  
Partner  
Membership No. : 057084  
Kolkata, 19th May, 2016

Subhasis Mitra  
Company Secretary

Rajarshi Banerjee  
Executive Director & CFO

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka  
Managing Director Aniruddha Basu

## Consolidated Cash Flow Statement for the year ended 31st March, 2016

	₹ in Crore	
Particulars	2015-16	2014-15
<b>A. Cash flow from Operating Activities</b>		
Profit before Exceptional Items and Taxation	809.21	498.10
Adjustments for :		
Depreciation and amortisation expenses	772.49	588.94
Loss / (Profit) on sale / disposal of assets (net)	2.02	6.63
Gain on sale of current investments (net)	(75.14)	(36.12)
Dividend Income	(7.81)	-
Amortisation of Miscellaneous expenditure	0.72	0.72
Provision for obsolete stock	(0.15)	0.87
Allowances for doubtful debts, Store / Lease Deposits / Advances made / Security deposit	7.69	5.69
Bad debts / Advances made	37.26	31.68
Fixed Assets/Miscellaneous written off	4.08	-
Finance Cost	1,485.61	956.48
Interest Income	(39.67)	(36.85)
Advance against depreciation	150.11	82.68
Share Issue Expenses	-	20.55
Loss/Gain on foreign currency transaction (net) Exchange	17.03	43.91
Liability / Provision Written Back	(2.96)	2.33
Effect of Foreign Currency Transactions / Translation (net)	0.07	0.06
Rent expense on account of adoption of AS 30	0.91	1.76
Preliminary Expenses written off	-	0.01
Pre-operative Expenses written off	-	0.01
<b>Operating Profit before Working Capital changes</b>	<b>3,161.47</b>	<b>2,167.45</b>
Adjustments for :		
Trade and other receivables	(339.06)	(967.56)
Inventories	71.60	(91.05)
Trade and other payables	(134.99)	31.23
<b>Cash Generated from Operations</b>	<b>2,759.02</b>	<b>1,140.07</b>
Income Tax Paid	(331.05)	(250.61)
<b>Net cash flow from Operating Activities</b>	<b>2,427.97</b>	<b>889.46</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets / Capital Work-in-Progress	(1,267.51)	(1,950.90)
Proceeds from Sale of Fixed Assets	42.59	10.63
Purchase of long term investments	-	(0.02)
Sale/(purchase) of Current Investments (net)	49.68	(520.31)
Dividend received	3.35	1.92
Interest received	32.88	55.03
Advance to bodies Corporate for share subscription	(5.00)	(2.00)
Advance to Subsidiaries, Joint Venture and others for share subscription (net)	(12.47)	-
Investment on acquisitions	(32.12)	-
Investment in subsidiary	(31.00)	(34.86)
<b>Net cash used in Investing Activities</b>	<b>(1,219.60)</b>	<b>(2,440.51)</b>



# Consolidated Cash Flow Statement for the year ended 31st March, 2016



₹ in Crore

Particulars	2015-16	2014-15
<b>C. Cash flow from Financing Activities</b>		
Issue of Share Capital	11.71	502.06
Share Issue Expenses	-	(20.55)
Proceeds from Long Term Borrowings ( net of refinance loan )	1,620.45	2,476.72
Repayment of Long Term Borrowings	(1,544.35)	(944.22)
Repayment of Public Deposits	-	(0.03)
Net increase/(decrease) in Cash Credit facilities and other Short Term Borrowings	565.90	565.51
Capital Contributions and Advance received from Consumers	120.53	65.94
Finance Costs paid	(1,530.29)	(1,197.79)
Dividends paid	(249.58)	(99.78)
Dividend tax paid	(51.27)	(16.99)
Repayment of Share Warrants	(2.96)	-
<b>Net Cash flow from Financing Activities</b>	<b>(1,059.86)</b>	<b>1,330.87</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>148.51</b>	<b>(220.18)</b>
<b>Cash and Cash equivalents - Opening Balance [Refer Note (c) below]</b>	<b>1,049.16</b>	<b>1,209.88</b>
<b>Cash and cash equivalents on acquisition of subsidiaries</b>	<b>0.01</b>	<b>59.46</b>
<b>Cash and Cash equivalents - Closing Balance [Refer Note (c) below]</b>	<b>1,197.68</b>	<b>1,049.16</b>

## Notes:

- The Cash Flow Statement has been prepared under the indirect method as given in the Accounting Standard on Cash Flow Statement (AS-3) as per Companies (Accounting Standards) Rules, 2006.
- Closing Balance of Cash and Cash equivalents represent "Cash and Bank balances" and includes ₹ 4.21 crore (31st March, 2015 - ₹ 1.93 crore) lying in designated accounts with banks on account of unclaimed dividends which are not available for use by the Company, ₹ 196.50 crore (31st March, 2015 - ₹ 185.00 crore) appropriated upto the 31st March, 2016 towards Fund for unforeseen exigencies and interest attributable thereto.

	₹ in Crore	
c) Cash and Cash Equivalents comprise:	2015-16	2014-15
Balances with Banks:		
In Current Account	283.94	378.11
Bank deposits with original maturity upto 3 months	253.06	280.44
Cheques, drafts on hand	308.60	109.20
Cash on hand	6.25	7.17
Other Bank Balances:		
Dividend Accounts	4.21	1.93
Bank deposits with original maturity more than 3 months	340.79	274.45
Deposit Accounts	-	-
Escrow Account	0.83	0.69
Less: Current Account balance held in trust for customers in respect of certain subsidiaries	-	2.84
Add: Share of Joint Venture	-	0.01
	<b>1,197.68</b>	<b>1,049.16</b>

- Previous year's figures have been regrouped / rearranged wherever necessary.

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

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

Sougata Mukherjee  
Partner  
Membership No. : 057084  
Kolkata, 19th May, 2016

Subhasis Mitra  
Company Secretary

Rajarshi Banerjee  
Executive Director & CFO

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka  
Managing Director Aniruddha Basu

## Notes forming Part of Consolidated Financial Statements

### NOTE 1 a) Basis of Preparation

The Consolidated financial statements comprises of the financial statements of CESC Limited (the Parent), its subsidiaries and proportionate interests in joint venture entity. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 on “Consolidated Financial Statements” and Accounting Standard 27 on “Financial Reporting of Interests in Joint Ventures”.

The Consolidated Financial Statements are prepared on the following basis :

- The audited financial statements of the Parent and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealised profits or losses thereon have been fully eliminated.
- The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Parent.
- Joint venture has been accounted for in the Consolidated Financial Statements using the proportionate consolidation method whereby a venturer’s share of each of the assets, liabilities, income and expenses of the jointly controlled entity is accounted for on a pro-rata basis.

b) The subsidiaries considered in the preparation of the Consolidated Financial Statements are :

Sl. No.	Name of the Subsidiaries	Country of Incorporation	Percentage of ownership interest as at 31st March, 2016	Percentage of ownership interest as at 31st March, 2015
1	Spencer’s Retail Limited (SRL)	India	100	100
2	Music World Retail Limited (100% subsidiary of SRL)	India	100	100
3	Omnipresent Retail India Private Limited (100 % subsidiary of SRL w.e.f 14th December 2015)	India	100	-
4	Au Bon Pain Café India Limited (91.5 % subsidiary of SRL)	India	91.53	90
5	Quest Properties India Limited (QPIL)	India	100	100
6	Metromark Green Commodities Private Limited (100% subsidiary of QPIL)	India	100	100
7	CESC Infrastructure Limited (CIL)	India	100	100
8	Haldia Energy Limited (HEL) ( 100 % subsidiary of CIL)	India	100	100
9	Dhariwal Infrastructure Limited (DIL) ( 100 % subsidiary of CIL)	India	100	100
10	Surya Vidyut Limited (SVL) ( 70 % subsidiary of CESC and 30 % subsidiary of HEL)	India	100	100
11	Nalanda Power Company Limited	India	100	100
12	CESC Projects Limited	India	100	100
13	Bantal Singapore Pte Limited	Singapore	100	100
14	Pachi Hydropower Projects Limited	India	100	100
15	Papu Hydropower Projects Limited	India	100	100
16	Ranchi Power Distribution Company Private Limited	India	100	100
17	Spn Liq Private Limited	India	100	100
18	Firstsource Solutions Limited (FSL)	India	55.54	56.13
19	Firstsource Group USA, Inc. (FG USA) (100% subsidiary of FSL)	USA	55.54	56.13
20	Firstsource BPO Ireland Ltd. (100% subsidiary of FSL)	Ireland	55.54	56.13
21	Firstsource Solutions UK Limited (FSL UK) (100% subsidiary of FSL)	UK	55.54	56.13
22	Firstsource Process Management Services Limited (FPMSL) (earlier known as Anunta Tech Infrastructure Services Ltd) (100% subsidiary of FSL)	India	55.54	56.13
23	Firstsource-Dialog Solutions Pvt. Ltd. (FDS) (74% subsidiary of FSL)	Sri Lanka	41.10	41.54
24	Firstsource Business Process Services, LLC (FBPS) (100% subsidiary of FG USA)	USA	55.54	56.13
25	MedAssist Holding LLC (earlier known as MedAssist Acquisition LLC) (100% subsidiary of FG USA)	USA	55.54	56.13
26	Firstsource Solutions USA, LLC (earlier known as MedAssist LLC) (100% subsidiary of MedAssist Holding LLC)	USA	55.54	56.13
27	Firstsource Advantage, LLC (100% subsidiary of FBPS)	USA	55.54	56.13
28	Firstsource Transaction Services, LLC (100% subsidiary of FS US LLC)	USA	55.54	56.13
29	Firstsource Solutions S.A. (Argentina) (100 % subsidiary of FSL UK)	Argentina	55.54	56.12
30	One Advantage LLC (100% subsidiary of FBPS )	USA	55.54	56.13
31	Crescent Power Limited (CPL) (67.83% subsidiary of CESC Ltd)	India	67.83	51.17
32	New Rising Promoters Private Limited (100 % subsidiary of CPL w.e.f 4th Dec 2015)	India	100	0.00
33	Sheesham Commercial Private Limited	India	100	100
34	Wigeon Commotrade Private Limited	India	100	100
35	Water Hyacinth Commosale Private Limited	India	100	100

The subsidiary companies appearing in Sl. Nos. 7 to 17 and Sl. Nos. 33 to 35 except Sl. No. 8, 9 & 10 are yet to commence their commercial operations.

**c) Interests in joint venture :**

The Group's interests in jointly controlled entity (incorporated joint venture) remains in Mahuagarhi Coal Company Private Limited, which was incorporated in India on 4th April, 2008 and percentage of ownership interest as at 31st March, 2016 stands at 50%. The Company was incorporated for the development of Mahuagarhi coal field and exploration of coal therefrom.

**NOTE 2** The operations of the Parent 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 3 Significant Accounting Policies**

**(a) Accounting Convention**

These Consolidated financial statements have been prepared to comply in all material aspects with the applicable accounting principles in India. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 till the standard of accounting or any addendum thereto prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with accounting standards notified under section 211(3C) [Companies (Accounting Standard) Rules, 2006, as amended] and other provisions of the Companies Act, 2013. A summary of important accounting policies which have been applied consistently are set out below.

**(b) Basis of Accounting**

The Consolidated financial statements have been prepared under the historical cost convention, except for certain tangible assets which are being carried at revalued amount. Certain subsidiaries of the group early adopted Accounting Standard 30, 'Financial Instruments: Recognition and Measurement' (AS 30) read with Accounting Standard 31 - 'Financial Instruments : Presentation' (AS 31) issued by the Institute of Chartered Accountants of India effective 1st April, 2008. Specific items of capital/revenue matters on which there are regulatory actions have been separately disclosed / dealt with in these financial statements.

**(c) Tangible Assets**

Tangible Assets are stated at historical cost of acquisition. However, certain tangible assets other than furniture and vehicles acquired upto 31st March, 2005 in respect of the Parent Company have been adjusted for the effect of valuation made by an approved external valuer at the then current replacement cost after necessary adjustment for depreciation. Subsequent acquisition of these assets, furniture and vehicles are stated at cost of acquisition together with any incidental expenses related to acquisition and appropriate borrowing costs. In case of a project, cost also includes pre-operative expenses and where applicable, expenses during trial run after netting off of revenue earned during trial run and income arising from temporary use of funds pending utilisation. With respect to certain subsidiaries, expenditure in respect of improvements, etc. carried out at the rented / leased premises are capitalized and expenditure incurred in setting up the stores are capitalized as a part of the leasehold improvements.

**(d) Intangible Assets**

Intangible Assets comprising computer software, brands / trademarks, knowhow , licences and mining rights , expected to provide future enduring economic benefits, are stated at cost of acquisition / implementation / development less accumulated amortisation. In respect of certain subsidiaries, software product development costs are expensed as incurred during the research phase until technological feasibility is established. Software development costs incurred subsequent to the achievement of technological feasibility are capitalized and amortised over the estimated useful life of the products as determined by the management. This capitalization is done only if there is an intention to and ability to complete the product, the product is likely to generate future economic benefits, adequate resources to complete the product are available and such expenses can be accurately measured. Such software development costs comprise expenditure that can be directly attributed or allocated on a reasonable and consistent basis, to the development of the product.

**(e) Impairment of assets**

An impairment loss is recognized, where applicable when the carrying value of assets of cash generating unit exceeds its market value or value in use, whichever is higher. If at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**(f) Depreciation / Amortization**

Depreciation on tangible assets (other than freehold land) of the Parent Company and one of the subsidiaries is provided on straight-line method on a prorata basis in terms of the applicable Regulations under the Electricity Act, 2003 and on the basis as per the rates specified therein, the basis of which is considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the tariff for the year in case of the said companies.

In respect of certain other subsidiaries, depreciation on fixed assets is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management. The management has estimated, based on the internal evaluation, the useful lives of the assets based on technical advice taking into account the nature of the asset, the estimated usage of

the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support, etc.

In respect of certain subsidiaries, depreciation on tangible assets is provided on straight line method / written down value method based on useful lives and residual values as prescribed in Part C of Schedule II of the Companies Act, 2013. Leasehold improvements are amortised over the unexpired lease term. Additional charge of depreciation for the year on increase in value arising from revaluation is recouped from Revaluation Reserve. Cost of intangible assets, comprising computer software related expenditure, are amortised in 3 years, except in case of a subsidiary where it is amortised over the estimated useful lives of 2 years to 6 years. Know-how and domain name are amortised over a period of 2 to 10 years. In respect of the Parent, brands/trademarks are amortised over a period of 20 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.

## **(g) Leasing**

Lease rentals in respect of assets taken under operating lease are charged to revenue.

Finance leases, which effectively transfer substantially all the risk and benefits incidental to the ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the leased liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

In case there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Assets given on finance lease are shown as amounts recoverable from the lessee. The rentals received on such leases are apportioned between the finance charge / (income) and principal amount using the implicit rate of return. The finance charge / (income) is recognised as income, and principal received is reduced from the amount receivable. All initial direct costs incurred are included in the cost of the asset.

## **(h) Investments**

Current Investments are stated at lower of cost and fair value and Non-Current Investments are stated at cost. Provision is made where there is a decline, other than temporary, in the value of Non-Current Investment.

## **(i) Inventories**

Inventories are valued at lower of cost and net realizable value. Cost is calculated on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, adjustment is made for such items.

## **(j) Foreign Currency Transactions**

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rate prevailing at the end of the financial year. Exchange gain or loss arising on settlement / translation is recognized in the Consolidated Statement of Profit and Loss. The year end monetary items are translated at the exchange rates prevailing at the Balance Sheet date.

However, with respect to the Parent, exchange gain or loss arising in respect of restatement of outstanding loans repayable in foreign currency are accounted for as an income or expense with recognition of the said amount as refundable or recoverable, which will be taken into consideration in determining the Parent's future tariff in respect of the amount settled duly considering as appropriate, the impact of the contracts entered into for managing risks thereunder.

The Consolidated financial statements are reported in Indian rupees. The translation of the local currency of each integral foreign subsidiary within the Group into Indian rupees is performed in respect of assets and liabilities other than fixed assets, using the exchange rate in effect at the balance sheet date and for revenue and expense items other than the depreciation costs, using average exchange rate during the reporting period. Fixed assets of integral foreign operations are translated at exchange rates on the date of the transaction and depreciation on fixed assets is translated at exchange rates used for translation of the underlying fixed assets.

In respect of certain subsidiaries, goodwill arising on the acquisition of non-integral operation is translated at exchange rates prevailing at the date of the balance sheet. The difference arising out of the translations are transferred to exchange difference on consolidation of non-integral subsidiaries under Reserves & Surplus. In respect of one of the subsidiaries, exchange differences arising on monetary items that qualify as hedging instruments in a cash flow hedge or hedge of a net investment, is initially recognized in Hedging Reserve Account or Foreign Currency Translation Reserve Account respectively. Such exchange differences are subsequently recognized in the Consolidated statement of profit & loss on occurrence of the underlying hedged transaction or on disposal of the investment as the case may be.

## **(k) Derivative instruments and hedge accounting with respect to certain subsidiaries**

Certain subsidiaries are exposed to foreign currency fluctuations on net investments in foreign operations and forecasted cash flows denominated in foreign currencies. The subsidiary limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments, where the counterparty is a bank.

The use of foreign currency forward contracts is governed by one of the subsidiary Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The Group does not use derivative financial instruments for speculative purposes. Certain subsidiaries use foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions. The Company designates these as cash flow hedges.

Foreign currency derivative instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholder's funds and the ineffective portion is recognised immediately in the Consolidated statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Consolidated statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholder's funds is transferred to the Consolidated statement of profit and loss for the period.

## **(l) Non-derivative financial instruments and hedge accounting with respect to certain subsidiaries**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets of the Company mainly include cash and bank balances, accounts receivables, unbilled revenues, finance lease receivables, employee travel and other advances, other loans and advances and derivative financial instruments with a positive fair value. Financial liabilities of the Company mainly comprise secured and unsecured loans, trade payables, accrued expenses and derivative financial instruments with a negative fair value. Financial assets / liabilities are recognised on the Consolidated balance sheet when the Company becomes a party to the contractual provisions of the Instrument. Financial assets are derecognised when all of risks and rewards of the ownership have been transferred. The transfer of risks and rewards is evaluated by comparing the exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred assets.

Short-term receivables with no stated interest rates are measured at original invoice amount, if the effect of discounting is immaterial. Non-interest-bearing deposits are discounted to their present value.

It also designates financial instruments as hedges of net investments in non-integral foreign operations. The portion of changes in fair value of financial instrument that is determined to be an effective hedge is recognised in Foreign Currency Translation Reserve and would be recognised in Consolidated statement of profit and loss upon sale / disposal of the related non-integral foreign operations. Changes in fair value relating to the ineffective portion of hedges are recognised in the Consolidated statement of profit and loss as they arise.

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

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

The earnings from sale of electricity with respect to Parent includes as per established practice, consistently followed by the Company in the past, estimated sums recoverable from / adjustable on consumers' account, calculated on the basis of rates approved / specified by the appropriate authorities which are reflected in the subsequent bills. In terms of the applicable regulations and tariff determination process followed by the Commission, advance against depreciation forms part of tariff. Such advance against depreciation of a year is adjusted against earning from sale of electricity for inclusion of the same in subsequent years, based on due consideration by the authorities in the tariff determination process.

Revenue from contact centre and transaction processing services comprises both time/unit priced and fixed fee based service contracts. Revenue from time/unit price based contracts is recognized as services are rendered and it is billed in accordance with the contractual terms specified in the customer contracts. Revenue from fixed fee based service contracts is recognized on achievement of performance milestones specified in the customer contracts. Revenue from debt collection services is recognized when debts are realized. Income from contingency based contracts, in which the client is invoiced for a percentage of the reimbursement, is recognised on completion of services. Unbilled receivables represent costs incurred and revenues recognized on contracts to be billed in subsequent periods as per the terms of the contract. Income from meter rent is accounted for as per the approved rates.

Revenue from contracting service is accounted on an accrual basis and recognised as per terms of the relevant arrangement.

With respect to sale of goods, revenue is recognized when significant risk and rewards of ownership of the goods get passed on to the buyers.

Revenue from mall operations are based on contractual rights.

## **(n) Other Income**

Dividend income is recognized when the right to receive dividend is established.

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, where applicable.

Income from recoveries and services mainly represents recoveries made on account of advertisement for use of space by the customer and other expenses charged from suppliers and are recognized and recorded based on the arrangements with concerned parties.

Delayed Payment Surcharge as a general practice is determined and recognised on a receipt of overdue payment from consumer.

## **(o) Government Grants**

Revenue grants are recognized when reasonable certainty exists that the conditions precedent will be/are met and the grants will be realised, on a systematic basis in the Consolidated Statement of Profit & Loss over the period necessary to match them with the related cost which they are intended to compensate.

## **(p) Employee Benefits**

Contributions to Provident Fund and contributory Pension Fund are accounted for on accrual basis. Provident Fund contributions are made to funds administered through duly constituted approved independent Trusts or Regional Provident Fund Commissioner. The interest rate payable to the members of the trust fund 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 Companies. The Companies, 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 actuaries. Actuarial gains and losses, where applicable, are recognized in the Consolidated Statement of Profit and Loss. Compensation in respect of voluntary retirement scheme is charged off to revenue.

Short term employee benefits are recognised as an expense in the Consolidated Statement of Profit and Loss for the year in which the related service is rendered.

In respect of overseas step-down subsidiaries, defined contribution plans are charged to the Consolidated Statement of Profit & Loss in the period in which they accrue. Other retirement benefits in respect thereof are accrued based on the amounts payable as per local regulations.

## **(q) Finance Costs**

Finance cost 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. Other borrowing costs are charged off to Consolidated Statement of Profit & Loss. 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 therefor. In respect of one of the subsidiaries ancillary costs incurred in connection with the arrangement of borrowings are amortized over the period of borrowings for which these are incurred.

## **(r) Taxes on Income**

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 at the current rates of taxation on all timing differences to the extent it is probable that a liability or asset will crystallize. 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.

With respect to the Parent, 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.

In case of subsidiaries operating in Special Economic Zones (SEZ), deferred taxes are recognised in respect of those originating timing differences which reverse after the tax holiday period resulting in tax consequences. Timing differences which originate and reverse within the tax holiday period do not result in tax consequence and, therefore, no deferred taxes are recognised in respect of the same.

## **(s) Miscellaneous expenditure to the extent not written off or adjusted**

With respect to the Parent, the erstwhile governing statute, viz., the Electricity (Supply) Act, 1948 (ESA), provided for amortisation of preliminary expenses and certain capital issue expenses over the unexpired period of licence. The Parent, as per the consistently applied accounting policy continues with such amortisation of expenditure incurred upto the year 2004-05. Thereafter, pursuant to repeal of ESA, such expenditures are charged off to revenue.

## **(t) Employee Stock Compensation Cost**

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The compensation cost relating to employee stock options is measured using the fair value method/intrinsic value based method. Compensation expenses are amortized over the vesting period of the option.

# Notes forming Part of Consolidated Financial Statements (Contd.)



	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015

## NOTE - 4 SHARE CAPITAL

(a) Authorised Share Capital 15,00,00,000 Equity Shares of ₹ 10 each	<b>150.00</b>	150.00
(b) Issued Capital 13,88,57,015 (31.03.2015 : 13,88,57,015 ) Equity Shares of ₹ 10/- each	<b>138.86</b>	138.86
(c) Subscribed and paid up capital 13,25,57,043 ( 31.03.2015 : 13,25,57,043 ) Equity Shares of ₹ 10/- each	<b>132.56</b>	132.56
(d) Forfeited Shares (amount originally paid up)	<b>0.66</b>	0.66
	<b>133.22</b>	133.22

(e) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	Amount (₹ In Crore)	No. of shares	Amount (₹ In Crore)
Balance at the beginning of the year	<b>13,25,57,043</b>	<b>132.56</b>	12,49,35,925	124.94
Add : Share issued and allotted during the year	-	-	76,21,118	7.62
Closing Balance at the end of the year	<b>13,25,57,043</b>	<b>132.56</b>	13,25,57,043	132.56

(f) Terms /rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 10/- per equity share has been paid during the year ended 31st March 2016. 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 Parent

Name of shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited	<b>5,87,96,632</b>	<b>44</b>	5,85,53,331	44
ICICI Asset Management Company Limited	<b>1,55,56,679</b>	<b>12</b>	-	-
HDFC Trustee Company Limited	<b>1,19,09,021</b>	<b>9</b>	1,12,05,021	8

# Notes forming Part of Consolidated Financial Statements (Contd.)



	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 5 RESERVES AND SURPLUS</b>		
(a) Capital contribution from consumer as at beginning of the year	923.69	816.62
Add : Contribution during the year	121.06	107.07
	<u>1,044.75</u>	<u>923.69</u>
(b) Capital Reserve on consolidation	548.65	545.82
Less : Adjusted with Goodwill on consolidation	548.65	545.82
	<u>-</u>	<u>-</u>
(c) Capital Redemption Reserve	20.13	20.13
(d) Securities Premium Account as at the beginning of the year	1,738.03	1,254.85
Add : Addition during the year	-	483.18
	<u>1,738.03</u>	<u>1,738.03</u>
(e) Revaluation Reserve as at the beginning of the year	850.55	961.23
Less : Withdrawal on account of depreciation / amortisation on amount added on revaluation	112.00	109.76
	<u>738.55</u>	<u>851.47</u>
Less : Withdrawal of the residual amount added on revaluation consequent to sale/disposal of revalued assets	0.87	0.92
	<u>737.68</u>	<u>850.55</u>
(f) Fund for unforeseen exigencies at the beginning of the year	195.45	179.18
Add : Transfer during the year from Surplus (Refer Note (j) below)	16.63	16.27
	<u>212.08</u>	<u>195.45</u>
(g) Hedge Reserve as at the beginning of the year	50.96	12.49
Add / (Less) : Movement during the year	(11.26)	38.44
Add / (Less) : Consequent to change in group interest	-	0.03
	<u>39.70</u>	<u>50.96</u>
(h) Foreign Currency Translation Reserve as at the beginning of the year	149.41	119.18
Add: Movement during the year	45.85	32.12
Less: Consequent to change in group interest	-	1.89
	<u>195.26</u>	<u>149.41</u>
(i) General Reserve as at the beginning of the year	3,972.02	3,452.02
Add : Transfer during the year from Surplus	520.00	520.00
	<u>4,492.02</u>	<u>3,972.02</u>
(j) Surplus as at the beginning of the year	(2,004.43)	(1,306.29)
Add : Profit for the year	366.39	198.51
Less : Adjustment of amalgamation	-	207.19
Less : Transfer to General Reserve	520.00	520.00
Less: Consequent to change in group interest	10.94	5.23
Less : Transfer to fund for unforeseen exigencies	16.63	16.39
Less: Adjustment on depreciation	-	4.25
Less : Interim Dividend	132.56	-
Less : Tax on Interim Dividend	26.99	-
Less : Proposed Dividend	-	119.30
Less : Tax on Proposed Dividend	-	24.29
	<u>(2,345.16)</u>	<u>(2,004.43)</u>
	<u>6,134.49</u>	<u>5,895.81</u>
(k) Amount transferred during the year to fund for unforeseen exigencies in respect of the Parent to be invested as per the statute.		



# Notes forming Part of Consolidated Financial Statements (Contd.)



	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 6 LONG-TERM BORROWINGS</b>		
<b>(A) Secured</b>		
Term Loans		
(1) Rupee Loans :		
(i) Banks	9,704.27	8,369.03
(ii) Financial Institutions	350.00	180.38
	<u>10,054.27</u>	<u>8,549.41</u>
(2) Foreign Currency Loans from banks	2,270.12	3,135.32
(3) Finance Lease obligations	19.66	20.19
	<u>12,344.05</u>	<u>11,704.92</u>
<b>(B) Unsecured</b>		
(i) Banks	208.00	556.00
(ii) Rupee Loan from Financial Institutions	13.42	5.59
	<u>221.42</u>	<u>561.59</u>
	<u>12,565.47</u>	<u>12,266.51</u>
Less : Current maturities of long term borrowing transferred to Other Current Liabilities (Refer Note 11)	<u>2,087.88</u>	<u>2,143.99</u>
	<u>10,477.59</u>	<u>10,122.52</u>
<b>(C) Nature of Security :</b>		
1 (i) Out of the Term Loans in (A) above in respect of the Parent, ₹ 3401.81 crore are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Parent including its land, building and any other constructions thereon, plant and machinery etc as a first charge and as a second charge by hypothecation of the Parent's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances. However, creation of the said mortgage security in respect of ten Rupee loans aggregating ₹ 1593.51 crore is in process. User rights in respect of a freehold land having a book value of ₹ 62.55 crore have been offered as security for financial assistance availed of by a subsidiary Company to its lenders.		
(ii) ₹ 470.60 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, ₹ 187.47 crore in respect of one of the subsidiaries, is secured by way of hypothecation with an exclusive charge on all movable fixed assets, current assets, and scheduled receivables of the subsidiary with respect to their Mall project, both present & future, and also with equitable assignments of all rights under the Development Agreement executed with the Parent .		
3 Out of the Term Loan in (A) above, ₹ 3453.73 crore in respect of another subsidiary are secured, ranking pari passu inter se with first charge by way of equitable mortgage / hypothecation of fixed assets of the subsidiary including its land, buildings, any other construction thereon where exists, plant and machinery etc and hypothecation of subsidiary's current assets.		
4 (i) Out of the Term Loan in (A) above, ₹ 2505.14 crore in respect of another subsidiary are secured, by first charge by way of mortgage / hypothecation of fixed assets of the subsidiary's including its land, buildings and the construction thereon where exists, plant and machinery etc and hypothecation of the subsidiary's current assets.		
(ii) Out of the Term Loan in (A) above, loans amounting to ₹ 300.31 crore in respect of the above subsidiary are secured by second charge on all assets of the subsidiary.		
(iii) Out of the Term Loan in (A) above, loan of ₹ 600.00 crore in respect of the above subsidiary are secured by subservient charge on all current and movable fixed assets of the subsidiary.		
5 (i) In respect of one of the subsidiaries, the Term Loan of ₹ 94.25 crore in (A) above is secured / to be secured by an exclusive charge by way of mortgage / hypothecation in respect of the fixed assets of the subsidiary including its land, building, construction thereon where exist, plant & machinery etc. and by way of hypothecation of current assets of the subsidiary, with respect to the 26 MW Wind Power project at Surendranagar, Gujrat. Creation of mortgage security as aforesaid on immovable fixed assets of the above project is currently under process.		
(ii) Term Loan of ₹ 125.00 crore in (A) above, in respect of the above subsidiary, is secured by an exclusive charge by way of mortgage / hypothecation in respect of the fixed assets of the subsidiary including its land, building, construction thereon where exist, plant & machinery etc. and by way of hypothecation of current assets of the subsidiary, with respect to the 36 MW Wind Power project at Nipaniya, Madhya Pradesh. Creation of mortgage security as aforesaid on immovable fixed assets of the above project is currently under process.		

- (iii) Foreign Currency Loan of ₹ 113.51 crore in (A) above, in respect of the above subsidiary, is secured by an exclusive charge by way of mortgage/hypothecation of the fixed assets of the subsidiary including its land, building, construction thereon where exist, plant & machinery etc. and by way of hypothecation of current assets of the subsidiary, in respect of the 24 MW Wind Power project at Jaisalmer, Rajasthan.
- 6 (i) In respect of certain subsidiaries, out of foreign currency loans, in (A) above, loans amounting to ₹ 123.90 crore is secured against pari passu charge on all current assets, non-current assets and fixed assets of the subsidiary.
- (ii) Term Loan of ₹ 596.41 crore in (A) above, in respect of certain subsidiaries, is secured against pari passu charge on all current assets, non-current assets and fixed assets of certain subsidiaries and guarantee given by the subsidiary.
- (iii) Finance lease obligation amounting to ₹ 19.66 Crore in (A) above, in respect of certain subsidiaries, is secured by way of hypothecation of underlying fixed assets taken on lease.
7. (i) Term loan of ₹ 25 crore in (A) above, in respect of one of the subsidiaries, is secured by hypothecation by way of first charge on all the current and movable assets (tangible & intangible, both, present and future) and all the receivables of the subsidiary arising out of, pursuant to or under the merchant establishment agreement (including the credit card receivables account) save and except any asset situated in or any such receivables arising from the hyper stores situated at Vishakhapatnam and Hyderabad.
- (ii) Secured loan of ₹ 195 crore in (A) above, in respect of the above subsidiary, is secured by hypothecation by way of first charge on all the current and movable assets (tangible & intangible, both, present and future) and all the receivables of the subsidiary arising out of, pursuant to or under the merchant establishment agreement (including the credit card receivables account). The Parent Company has also issued an unconditional and irrevocable Letter of Comfort against this loan to the banker.
- 8 (i) Term loan of ₹ 58.15 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 and other movable, book debts, monies receivables and bank balances and equitable mortgage / hypothecation of the subsidiary's fixed assets including its land, building and all constructions thereon and plant and machinery, both present and future with respect to the 40 MW AFBC Thermal Power project of the subsidiary near Asansol, West Bengal. The security mentioned above ranks pari passu inter se and with the security for overdrafts from banks and ranks prior to the security created / to be created for the facility co-borrowed jointly with certain subsidiary.
- (ii) Term loan of ₹ 74.10 crore in (A) above, in respect of one of the subsidiaries, is secured by an exclusive charge by way of mortgage/hypothecation in respect of fixed assets including its land, building, constructions thereon where exist, plant and machinery etc. and by way of hypothecation of current assets including book debts, receivables, projects related accounts, revenue of whatsoever nature and wherever arising (present and future) with respect to the 15MW Solar Power project at Ramanathapuram, Tamil Nadu. Creation of mortgage security as aforesaid on immovable fixed assets of the above project is currently under process.

(D) Major terms of repayment of long term borrowings disclosed in (A) and (B) above :

₹ in Crore

Maturity Profile of Long Term Borrowings outstanding as at 31st March, 2016	Balance outstanding as on 31st March, 2016					Current Maturities
	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Finance Lease Obligations	Foreign Currency Loans	Total	
Loans with residual maturity of upto one year	419.23	-	-	13.35	432.58	432.58
Loans with residual maturity between 1 and 3 years	347.06	-	-	1,322.84	1,669.90	535.01
Loans with residual maturity between 3 and 5 years	1,618.01	13.42	19.66	123.90	1,774.99	304.99
Loans with residual maturity between 5 and 10 years	4,031.21	-	-	810.03	4841.24	521.30
Loans with residual maturity beyond 10 years	3,496.76	350.00	-	-	3846.76	294.00
<b>Total</b>	<b>9,912.27</b>	<b>363.42</b>	<b>19.66</b>	<b>2,270.12</b>	<b>12,565.47</b>	<b>2,087.88</b>

Interest on Rupee Term Loan from Banks and Financial Institutions are based on spread over Lender's Benchmark rate and that of on Foreign Currency Loan based on spread over LIBOR.

All of the above are repayable in periodic instalments over the maturity period of the respective loans.

(E) Term loans of the parent from a Financial Institution as at 31.3.2015 has been disclosed under Term Loans from Banks during the year pursuant to the conversion of the Financial Institution into a bank during the year.

# Notes forming Part of Consolidated Financial Statements (Contd.)



	As at 31st March, 2016	₹ in Crore As at 31st March, 2015
<b>NOTE - 7 OTHER LONG TERM LIABILITIES</b>		
(a) Trade Payables - other than micro and small enterprise	32.48	220.75
(b) Others*	1,581.73	1,652.16
	<u>1,614.21</u>	<u>1,872.91</u>

\* Others represent those arising from adjustments detailed in Note 25, the unadjusted balance of sums received from consumers for capital jobs, pending completion thereof in respect of the Parent and retention liabilities in respect of certain subsidiaries etc.

	As at 31st March, 2016	₹ in Crore As at 31st March, 2015
<b>NOTE 8 LONG TERM PROVISIONS</b>		
Provision for employee benefits	209.84	187.31
	<u>209.84</u>	<u>187.31</u>

	As at 31st March, 2016	₹ in Crore As at 31st March, 2015
<b>NOTE - 9 SHORT-TERM BORROWINGS</b>		
<b>A Secured</b>		
Loans repayable on demand		
(i) Overdraft from banks	1,303.16	490.00
(ii) Working Capital demand loan	-	187.50
<b>B Unsecured</b>		
Loans repayable on demand		
(i) Export Finance from Banks	58.48	100.71
(ii) Overdraft from banks	-	27.82
(iii) Short term Loan from Banks	428.15	429.50
(iv) Short Term Loan from bodies corporate	0.02	-
(v) Commercial paper	550.00	700.00
	<u>2,339.81</u>	<u>1,935.53</u>

## C. Nature of Security

- The overdraft facilities from bank in respect of the Parent amounting to ₹ 759.45 crore in (A) (i) above are secured, ranking pari passu inter se, by hypothecation of the Parent's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances as a first charge and as a second charge by equitable mortgage / hypothecation of the fixed assets of the Parent including its land, buildings and other constructions thereon where exists, plant and machinery etc. However, creation of the said mortgage security in respect of overdraft facilities from Banks aggregating ₹ 518 crore is in process.
- The overdraft facilities from banks in respect of one of the subsidiaries amounting to ₹ 16.00 Crore in (A) (i) above, is secured against margin money deposits.
- The overdraft facilities from banks in respect of one of the subsidiaries amounting to ₹ 239.37 Crore in (A) (i) above, is secured with first charge by way of hypothecation of the subsidiary's current assets.
- The overdraft facilities in respect of one of the subsidiary in (A) (i) above, is secured by first pari-passu charge by way of equitable assignment on all rights including user rights, title, permits, approval under the development agreement executed with the Parent as well as hypothecation on the moveable fixed assets, current assets, scheduled receivables and insurance proceeds both present and future of the subsidiary.  
The overdraft facilities in respect of certain subsidiaries amounting to ₹ 11.01 crore in (A) (i) above, is secured against all assets of certain subsidiary and by way of second charge on all assets of 40 MW thermal power project of the subsidiary.
- The overdraft facilities in respect of one of the subsidiary amounting to ₹ 114.90 crore in (A) (i) above, is secured ranking pari passu inter se, with first charge by way of equitable mortgage / hypothecation of fixed assets of the subsidiary including its land, building, any other construction thereon where exists, plant and machinery etc., and hypothecation of subsidiary's current assets.

## NOTE 10 TRADE PAYABLES

₹ 0.02 crore (31.3.2015 - ₹ Nil), ₹ 0.12 crore (31.3.2015 - ₹ 0.08 crore) and ₹ 0.76 crore (31.03.2015- ₹ 0.64 crore) representing interest due on amount outstanding as at the year end, interest accrued and due for the period of delay in making payment during the year and interest accrued and remaining unpaid at the year end respectively due to Micro and Small Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 on information available with the Company.

	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 11 OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of long-term borrowings (Refer Note 6)	<b>2,078.18</b>	2,132.71
(b) Current maturities of finance lease obligations	<b>9.70</b>	11.28
(c) Interest accrued but not due on borrowings	<b>46.43</b>	65.87
(d) Interest accrued and due on borrowings	<b>1.48</b>	0.54
(e) Book overdraft from Banks	<b>51.66</b>	54.71
(f) Unclaimed dividend	<b>4.21</b>	1.93
(g) Liabilities on capital account	<b>385.36</b>	533.00
(h) Other payables	<b>637.64</b>	815.94
(i) Add : Share of Joint Venture (Refer Note 1c)	-	0.13
	<b>3,214.66</b>	3,616.11
(j) Unclaimed dividend in respect of the Parent do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.		
(k) Other payables includes outstanding interest on consumer security deposit, employee related liability, creditors towards contractual obligations etc.		

	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE 12 SHORT TERM PROVISIONS</b>		
(a) Provision for employee benefits	<b>67.27</b>	60.26
(b) Provision for taxation (net of advance tax)	<b>21.28</b>	6.09
(c) Proposed Dividend	-	119.30
(d) Tax on Proposed Dividend	-	24.29
(e) Provision for Claims on Lease Property	<b>11.11</b>	11.13
(f) Provision for Loyalty Points	<b>0.49</b>	0.49
(g) Provision for Tax Disputes	<b>1.62</b>	1.62
	<b>101.77</b>	223.18

## Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE 13 - TANGIBLE ASSETS										₹ in Crore		
PARTICULARS	GROSS BLOCK AT COST OR VALUATION					DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 1st April, 2015	Additions / Adjustments on Acquisition**	Additions / Adjustments*	Withdrawals / Adjustments	As at 31st March, 2016	As at 1st April, 2015	Opening Adjustments	Additions / Adjustments on Acquisition	Additions / Adjustments	Withdrawals / Adjustments	As at 31st March, 2016	As at 31st March, 2015
Land												
Freehold	873.91	-	5.51	-	879.42	0.10	-	-	-	-	879.32	873.81
Leasehold	541.09	-	9.37	-	550.46	38.38	-	3.78	-	-	508.30	502.71
Buildings and Structures	2,315.37	-	104.10	16.37	2,403.10	602.85	-	86.50	13.07	13.07	1,726.82	1,712.52
Plant and Equipment	14,084.49	-	464.00	38.32	14,510.17	3,534.13	-	480.73	4.13	4.13	10,499.44	10,550.36
Transmission and Distribution System	6,405.16	-	437.39	46.49	6,796.06	2,001.88	-	188.95	36.98	36.98	4,642.21	4,403.28
Meters and Other Apparatus on Consumers' Premises	554.25	-	47.15	18.14	583.26	288.38	-	25.03	10.86	10.86	280.71	265.87
River Tunnel	4.88	-	-	-	4.88	3.29	-	0.26	-	-	1.33	1.59
Furniture and Fixtures	197.14	-	19.32	4.45	212.01	118.05	-	17.00	2.17	2.17	79.13	79.09
Office Equipments	459.58	0.01	45.83	11.11	494.31	354.99	-	26.54	5.55	5.55	118.33	104.59
Electrical Installations	10.12	-	0.15	0.43	9.84	3.49	-	1.51	0.09	0.09	4.93	6.63
Vehicles	20.92	-	3.72	0.78	23.86	14.74	-	1.87	0.53	0.53	7.78	6.18
Railway Sidings	175.74	-	4.59	-	180.33	27.31	-	7.69	-	-	145.33	148.43
	<b>25,642.65</b>	<b>0.01</b>	<b>1,141.13</b>	<b>136.09</b>	<b>26,647.70</b>	<b>6,987.59</b>	-	<b>839.86</b>	<b>73.38</b>	<b>73.38</b>	<b>18,893.63</b>	<b>18,655.06</b>
Previous Year	18,313.38	265.17	7,156.20	92.10	25,642.65	6,330.55	4.25	71.78	657.32	76.31	6,987.59	18,655.06

\*\* Includes value of fixed asset received on acquisition of certain subsidiary.

\* Includes adjustments relating to foreign exchange on account of translation of foreign subsidiaries / entities

Depreciation on parts of assets which have useful life different from the useful life of the remaining asset (as per technical advice) has been determined separately during the financial year 2015-16 in accordance with Schedule II to the Companies Act, 2013 and has a net impact of ₹ 0.36 crores on the profits for the financial year 2015-16. The opening balance of such parts assets have been regrouped accordingly. The execution of long term lease deed in respect of land acquired for Sortisatoli Coal Mine during the year is in process.

NOTE 14 - INTANGIBLE ASSETS										₹ in Crore		
PARTICULARS	GROSS BLOCK AT COST OR VALUATION					AMORTISATION				NET BLOCK		
	As at 1st April, 2015	Additions / Adjustments on Acquisition	Additions / Adjustments*	Withdrawals / Adjustments	As at 31st March, 2016	As at 1st April, 2015	Additions / Adjustments on Acquisition	Additions / Adjustments	Withdrawals / Adjustments*	As at 31st March, 2016	As at 31st March, 2015	
Goodwill on consolidation	2,136.22	-	149.26	-	2,285.48	2.02	-	1.13	-	3.15	2,282.33	2,134.20
Goodwill (Acquired)	105.48	-	1.52	101.77	5.23	93.74	-	11.94	100.45	5.23	0.00	11.74
Trademarks	32.00	-	-	-	32.00	9.60	-	1.60	-	11.20	20.80	22.40
Licence	20.50	-	5.16	0.32	25.34	6.47	-	1.86	0.26	8.07	17.27	14.03
Computer Software	200.38	-	41.87	1.95	240.30	169.12	-	22.49	(1.57)	193.18	47.12	31.26
Mining Rights	-	-	125.45	-	125.45	-	-	5.75	-	5.75	119.70	-
	<b>2,494.58</b>	-	<b>323.26</b>	<b>104.04</b>	<b>2,713.80</b>	<b>280.95</b>	-	<b>44.77</b>	<b>99.14</b>	<b>226.58</b>	<b>2,487.22</b>	<b>2,213.63</b>
Previous Year	2,760.83	(43.53)	37.90	260.62	2,494.58	232.56	-	42.42	(5.97)	280.95	2,213.63	

\*Includes Goodwill on Consolidation arising on account of following in respect of one of the subsidiaries :

- Goodwill amount of ₹ 1.13 crore on reduction of stake of minority shareholders in certain subsidiaries during the year. The same is also written off during the year.
- Goodwill amounting to ₹ 15.34 crore on acquisition of certain other subsidiaries.

\* Includes adjustments relating to foreign exchange on account of translation of foreign subsidiaries / entities

# Notes forming Part of Consolidated Financial Statements (Contd.)



	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 15 NON CURRENT INVESTMENTS</b>		
<b>A. Trade Investments -Unquoted</b>		
<b>(a) Investments in Equity Instruments</b>		
13,000 Equity Shares of Integrated Coal Mining Limited of ₹ 10 each	0.01	0.01
<b>B Other Investments - Unquoted</b>		
<b>(a) Investment in Mutual Fund</b>		
Philippines Treasury Bills*	2.88	2.76
1,000 (31.03. 2015 : 1,000) fully paid Equity Shares of ₹ 10 each of Nanobi Data and Analytics Private Limited	0.01	0.01
5,57,043 ( 31.03.2015 : 3,76,884) fully paid compulsory Convertible Cumulative Preference Shares of ₹ 10 each of Nanobi Data and Analytics Private Limited	5.49	2.99
<b>(b) Others</b>		
10,000 Equity Shares of Retailer's Association of India of ₹ 10 each	0.01	0.01
<b>C Other Investments -Quoted</b>	-	
<b>Investments in Equity Instruments</b>		
1,21,95,122 (31.03.2015 : 1,21,95,122) Equity Shares of Resource Generation Limited (Market value - ₹ 2.49 crore)**	71.71	67.72
	<b>80.11</b>	<b>73.50</b>
<b>D All non- current investments are long term in nature.</b>		
* These securities have been earmarked in favour of SEC, Philippines in compliance with corporation code of Philippines.		
** Based on review of the projected business prospects of Resource Generation Limited, inspite of present losses of the Company, the management does not foresee any diminution other than temporary in the value of such investments.		

	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 16 LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
(a) Capital advances	187.68	239.88
(b) Security Deposits	110.20	76.84
(c) Deposits (Refer note 42)	-	35.70
(d) Advance tax ( net of provision for tax)	72.60	64.61
(e) Share Application money to bodies corporate	49.56	24.00
(f) Other Loans and advances (Includes advance for property acquisition, employee related loans etc)	163.75	35.26
<b>Unsecured, considered doubtful</b>		
Security Deposits	0.81	0.79
Less: Allowances for doubtful advances	0.81	0.79
	-	-
	<b>583.79</b>	<b>476.29</b>

# Notes forming Part of Consolidated Financial Statements (Contd.)

	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 17 OTHER NON-CURRENT ASSETS</b>		
(a) Long Term Trade Receivables	-	8.34
(b) Unamortised Cost (Refer Note 42)	1.00	2.54
(c) Minimum Alternate Tax credit carried forward	119.13	105.15
(d) Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted	2.15	2.86
(e) Bank deposits with maturity more than 12 months	-	2.00
(f) Margin money deposits (Refer note (i) below)	24.31	24.09
(g) Interest receivable on deposits	0.13	0.28
(h) Others	896.73	600.00
	<b>1,043.45</b>	<b>745.26</b>
(i) Represents deposits pledged with banks against Bank Guarantee and Overdraft facilities with respect to certain subsidiaries.		
<b>NOTE - 18 CURRENT INVESTMENTS</b>		
<b>Unquoted</b>		
<b>(a) Investments in Equity Instruments</b>		
29,728,500 (31.03.2015: 29,728,500) Equity Shares of Noida Power Company Ltd. of ₹ 10 each*	29.73	29.73
1,40,50,000 (31.03.2015: 78,00,000) Equity shares of APA Services Private Ltd. of ₹ 10 each**	14.05	7.80
<b>(b) Investments in Mutual Funds</b>		
6,71,003 (31.03.2015 : 4,73,425) units of ICICI Prudential Liquid - Direct Plan - Growth	15.00	9.80
52,82,923.283 (31.03.2015 : Nil) units of ₹ 285.8266 each of ICICI Prudential Flexible Income - Direct Plan - Growth	151.00	-
26,97,142.216 (31.03.2015 : Nil) units of ₹ 370.7628 each of Birla Sun Life Cash Manager-Growth-Direct Plan	100.00	-
2,88,40,385.769 (31.03.2015 : Nil) units of ₹ 26.0052 each of HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Wholesale Option - Growth Option	75.00	-
1,03,02,820.500 (31.03.2015 : Nil) units of ₹ 24.2652 each of Kotak Treasury Advantage Fund - Direct Plan - Growth	25.00	-
1,02,370.634 (31.03.2015 : Nil) units of ₹ 2442.1066 each of Reliance Liquid Fund Cash Plan - Direct Plan - Growth	25.00	-
57,47,082.398 (31.03.2015 : Nil) units of ₹ 26.1002 each of HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Wholesale Option - Growth Option	15.00	-
Nil units (31.03.2015 : 72,94,604.939) of ₹ 207.0023 each of ICICI Prudential Liquid - Direct Plan - Growth	-	151.00
Nil units (31.03.2015 : 44,55,361.069 ) of ₹ 224.4487 each of Birla Sun Life Cash Plus - Direct Plan - Growth	-	100.00
Nil units (31.03.2015 : 3,62,32,146.610) of ₹ 27.5998 each of HDFC Liquid Fund - Direct Plan - Growth	-	100.00
Nil units (31.03.2015 : 1,76,213.4286) of ₹ 2,837.4682 each of Kotak Liquid Scheme Plan A - Direct Plan - Growth	-	50.00
Nil units (31.03.2015 : 2,25,778.936) of ₹ 1,550.1889 each of Axis Liquid Fund-Direct Plan-Growth	-	35.00
37,849.370 units of ₹ 2,377.8467 each (31.03.2015 : 1,36,498.571 units of ₹ 2,197.8252 each) of SBI Premier Liquid Fund - Direct Plan - Growth	9.00	30.00
Nil units (31.03.2015 : 73,325.620) of ₹ 3,409.4495 each of Reliance Liquid Fund Treasury Plan - Direct Plan - Growth	-	25.00
60517 (31.03.2015: 21,838) units of Kotak floater Short Term-Direct Plan - Growth	15.00	15.00
Pramerica Insta Cash Plus Fund - Institutional Plan - Growth	13.25	7.70
Nil units (31.03.2015 : 32,348) units of SBI Magnum Insta Cash Fund -Direct Plan - Growth	-	10.01
24,411 (31.03.2015 :29,656) units of Reliance Liquid Fund - Treasury Plan- Direct Growth Plan-Growth Option	9.01	10.10
50,435 (31.03.2015 : 52,016) units of Religare Invesco Liquid Fund-Direct Plan - Growth	10.51	10.00
Nil units (31.03.2015 :17,12,000) units of HDFC Cash Management Fund -Saving Plan-Direct Plan -Growth Option	-	5.00
67,473 (31.03.2015 : Nil) units of L & T Liquid Fund Direct Plan - Growth	14.00	-
40 (31.03.2015 : Nil ) units of L & T Liquid Fund-Growth	0.01	-
<b>Investment in Commercial Paper</b>		
2,000.00 (31.03.2015 : Nil) units of ₹ 5,00,000.00 each of Axis Finance Ltd.	100.00	-
	<b>620.56</b>	<b>596.14</b>

\*The Company has been evaluating various options to dispose of the temporary investment in the equity share capital of Noida Power Company Limited and accordingly the same has been classified under the head "Current Investments".

\*\* The Company's temporary investments in equity share capital of APA Services Private Limited has been classified as "Current Investments" as the Company has been pursuing its plan to transfer the holding.

# Notes forming Part of Consolidated Financial Statements (Contd.)



	₹ in Crore	
	As at 31st March, 2016	As at 31st March, 2015
<b>NOTE - 19 INVENTORIES</b>		
(a) Raw Materials	1.08	1.40
(b) Finished Goods	0.11	0.23
(c) Traded Goods	194.27	173.80
(d) Fuel (includes goods in transit ₹ 37.12 crore ; 31.03.2015 : ₹ 71.39 crore)	270.44	278.30
(e) Stores and Spares (includes goods in transit ₹ NIL ; 31.03.2015 : ₹ 1.35 crore)	233.89	211.71
(f) Packing Materials	2.19	2.49
	<b>701.98</b>	667.93
Less : Provision for obsolete stock of Traded Goods and Packing Materials	5.25	5.40
	<b>696.73</b>	662.53
<b>NOTE - 20 TRADE RECEIVABLES</b>		
(a) Outstanding for a period exceeding six months from due date of payment		
Secured, considered good	41.45	32.83
Unsecured, considered good	61.29	204.22
Doubtful	17.81	7.86
	<b>120.55</b>	244.91
Less : Allowances for doubtful debts	17.81	7.86
	<b>102.74</b>	237.05
(b) Other receivables		
Secured, considered good	668.51	745.52
Unsecured, considered good	643.33	723.98
	<b>1,311.84</b>	1,469.50
	<b>1,414.58</b>	1,706.55
<b>NOTE - 21 CASH AND BANK BALANCES</b>		
(a) Cash and cash equivalents		
Balances with banks		
In Current Account	283.94	378.11
Bank deposits with original maturity upto 3 months	253.06	280.44
Cheques, draft on hand	308.60	109.20
Cash on hand	6.25	7.17
	<b>851.85</b>	774.92
(b) Other bank balances		
Dividend Accounts	4.21	1.93
Bank deposits with original maturity more than 3 months (Refer note (e) , (f) & (g) below)	340.79	274.45
Escrow Account	0.83	0.69
	<b>345.83</b>	277.07
(c) Less : Current account balance held in trust for customers in respect of certain subsidiaries	-	2.84
	<b>1,197.68</b>	1,049.15
(d) Add : Share of Joint Venture [Refer note 1(c)]	-	0.01
	<b>1,197.68</b>	1,049.16



# Notes forming Part of Consolidated Financial Statements (Contd.)



- (e) Amount lying in deposit accounts with banks with original maturity more than three months as at 31st March, 2016 includes ₹ 196.50 crore (31.03.2015 : ₹ 185.00 crore) appropriated for upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.
- (f) Bank deposits with original maturity more than 3 months under Other bank balances include ₹ 20 crore (31.03.2015 : ₹ 31 crore) having maturity more than 12 months as on the reporting date.
- (g) Bank deposits with original maturity more than 3 months under Other bank balances includes ₹ 2 crore (31.03.2015 : ₹ 2 crore) in the form of lien marked fixed deposit to lender.

	As at 31st March, 2016	As at 31st March, 2015
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## NOTE - 22 SHORT-TERM LOANS AND ADVANCES

### Other Advances

#### (Unsecured, considered good)

Share Application money to bodies corporate

Advance for goods and services

Security deposit / advances

Advance tax (net)

Others (refer note (a)& (b) below)

	37.22	48.28
	6.88	4.30
	25.43	12.99
	228.31	189.16
	<b>297.84</b>	<b>254.73</b>

#### (Unsecured, considered doubtful)

Security deposit / advances

Less : Allowances for doubtful advances

	0.01	0.01
	(0.01)	(0.01)
	<b>297.84</b>	<b>254.73</b>

The above include :

- (a) Expenditure incurred for setting up power projects to be transferred to the specific project developing entities, in due course in respect of the Parent.
- (b) Balance of ₹ 1crore (31.03.2015 : ₹ 1 crore) against matter under litigation.

	As at 31st March, 2016	As at 31st March, 2015
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## NOTE - 23 OTHER CURRENT ASSETS

(a) Deferred Payment

(b) Unbilled Revenue

(c) Receivable towards claims and services rendered - (considered good)

(d) Others

Insurance claim receivables

Others

Interest accrued on Deposits

Unamortised cost (Refer note 42)

MAT credit carried forward

Exchange gain on derivative contract

(e) Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted

	171.22	194.33
	233.71	205.40
	17.97	6.22
	2.64	0.34
	3.37	300.07
	12.79	7.05
	0.50	1.86
	17.00	14.91
	38.11	53.68
	<b>0.72</b>	<b>0.72</b>
	<b>498.03</b>	<b>784.58</b>

## NOTE - 24 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(a) Claims against the Parent not acknowledged as debts:

- (i) 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 rental 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.
- (ii) Retailer's Association of India (RAI) of which one of the subsidiary is a member, has filed Special Leave Petition before the Hon'ble Supreme Court of India, about the applicability of service tax on commercial rent on immovable property. Pending disposal of the case, the Supreme Court has passed an interim ruling in October, 2011 directing the members of RAI to pay 50% of total service tax liability upto September, 2011 to the department and to furnish a surety for balance 50%. The Supreme Court has also clarified that the successful party in the appeal shall be entitled to interest on the amount stayed by the Court, at such rate as may be directed at the time of the final disposal of appeal. Accordingly the subsidiary has already deposited ₹ 4.6 Crores and furnished a surety of ₹ 4.6 Crores towards the balance Service Tax Liability, while interest, whose quantum and applicability is presently not ascertainable, will be provided on disposal of the petition. Further the subsidiary has been making provision for service tax on rent subsequent to such interim ruling, the balance whereof as on 31st March 2016 is ₹ 11.14 crore (31.03.15 : ₹ 11.13 crore).
- (iii) Others ₹ 4.79 crore (31.03.2015 : ₹ 4.67 crore).

- (b) Commitments of the Group on account of estimated amount of contracts remaining to be executed on capital account and the same towards borrowing / financing obligations of subsidiaries and a body corporate from banks, not provided for amounting to ₹ 170.73 crore (31.03.2015 : ₹ 223.99 crore), ₹ 1585.33 crore ( 31.03.2015 : ₹ 1597.48 crore) and ₹ 77.07 crore (31.03.2015: ₹ 104.59 crore) respectively.

(c) Other money for which the Group is contingently liable :

₹ in Crore

Particulars	31st March, 2016	31st March, 2015
- Income Tax *	128.06	136.42
- Sales tax demands under appeal	9.32	2.99
- Service tax demands under appeal	22.75	18.66
- Gurantees given	0.62	0.62
- Entry Tax	17.67	15.81
- Bank Guarantee	-	63.76
- Guarantee to ABP Corporation to discharge obligation, if any, in event of default	Not Quantified	Not Quantified

\* Tax paid under protest for various assessment years ₹ 13.10 crore (31.03.2015 : ₹ 10.29 crore )

The future cash outflow in respect of above cannot be ascertained at this stage.

- (d) For commitment relating to leasing arrangement, refer Note 34.

# Notes forming Part of Consolidated Financial Statements (Contd.)



	₹ in Crore	
	2015-16	2014-15
<b>NOTE - 25 REVENUE FROM OPERATIONS</b>		
(a) Earnings from sale of electricity	<b>6,710.56</b>	6,273.63
(b) Earnings from sale of retail products (net of Excise Duty)	<b>1,807.68</b>	1,622.78
(c) Earnings from sale of services	<b>3,172.58</b>	3,001.52
(d) Earnings from Mall operations	<b>83.19</b>	74.63
(e) Other Operating Revenue		
Meter Rent	<b>47.31</b>	45.63
Others	<b>78.20</b>	48.44
	<b>11,899.52</b>	11,066.63

- (f) Earnings from sale of electricity in respect of the parent, are determined in accordance with the relevant orders of the Commission, where appropriate, giving due effect to the required adjustments which include a sum of ₹ 31.89 crore (previous year : ₹ 207.74 crore) in respect of the cost of electrical energy purchased, fuel and related costs and also those relating to revenue account, based on the Company's understanding of the applicable regulatory provisions on this count, after giving effect of the impact arising from applicable orders in this regard for earlier years and the net impact of the said adjustments has been included in Other long term liabilities, to the extent applicable. The accurate quantification and disposal of the matters are being given effect to, from time to time, on receipt of necessary direction from the appropriate authorities relating to the applicable matters including that may arise in respect of 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, which was duly informed to West Bengal Electricity Regulatory Commission (WBERC). The said earnings are also net of discount for prompt payment of bills allowed to consumers on a net basis from month to month and advance against depreciation amounting to ₹ 76.96 crore (previous year : ₹ 65.66 crore) and ₹ 150.11 crore (previous year : ₹ 82.68 crore) respectively.

	₹ in Crore	
	2015-16	2014-15
<b>NOTE - 26 OTHER INCOME</b>		
(a) Interest Income	<b>39.67</b>	38.48
(b) Dividend Income	<b>7.81</b>	-
(c) Income from Recoveries and Services	<b>66.71</b>	58.81
(d) Gain on sale of current investments (net)	<b>75.14</b>	38.06
(e) Delayed Payment Surcharge	-	-
(f) Profit on sale of assets	<b>0.95</b>	0.48
(g) Other Non -operating Income	<b>28.77</b>	24.47
	<b>219.05</b>	160.30
Less : Allocated to capital account *	-	11.29
	<b>219.05</b>	149.01

\* include in respect of one of the subsidiaries interest income of NIL (previous year : ₹ 0.28 crore ) and net gain / (loss) on sale of current investment of NIL (previous year : ₹ 0.01 crore)

	₹ in Crore	
	2015-16	2014-15
<b>NOTE - 27 COST OF MATERIALS CONSUMED</b>		
Opening stock of Raw Material	<b>1.40</b>	1.51
Add : Purchases	<b>12.91</b>	13.39
Less : Closing stock of Raw Material	<b>1.08</b>	1.40
	<b>13.23</b>	13.50

	₹ in Crore	
	2015-16	2014-15
<b>NOTE - 28 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS</b>		
(Increase)/decrease in stocks		
Stock at the beginning of the year :		
Finished Goods	0.23	0.33
Stock-in-trade	173.80	142.24
Work-in-progress	-	0.01
Total (A)	<u>174.03</u>	<u>142.58</u>
Less : Stock at the end of the year :		
Finished Goods	194.27	0.23
Stock-in-trade	0.11	173.80
Total (B)	<u>194.38</u>	<u>174.03</u>
(Increase)/decrease in stocks (A-B)	<u>(20.35)</u>	<u>(31.45)</u>

**NOTE - 29 COST OF FUEL FOR POWER BUSINESS**

- (a) The consumption of coal for the year 2015-16 works out to 67,21,934 Tonnes (Previous Year 59,57,255 Tonnes) having a value of ₹ 2141.23 crore (previous year ₹ 1975.72 crore).
- (b) Cost of fuel shown in the Statement of Profit and Loss includes freight of ₹ 310.85 crore (previous year ₹ 345.86 crore) and gain of ₹ 1.26 crore (previous year gain ₹ 1.78 crore) towards exchange fluctuation and is net off write back of ₹ 170.46 crore (previous year ₹ NIL) pursuant to settlement on this count.
- (c) The consumption of oil for the year 2015-16 works out to 6068.80 Kilolitres (previous year 5865.21 Kilolitres) having a value of ₹ 29.26 crore (previous year ₹ 35.45 Crore)

	₹ in Crore	
	2015-16	2014-15
<b>NOTE - 30 EMPLOYEE BENEFIT EXPENSES</b>		
(A) 1 Salaries, wages and bonus	2,921.43	2,698.16
2 Contribution to provident and other funds	190.64	194.91
3 Employees' welfare expenses	140.53	127.87
	<u>3,252.60</u>	<u>3,020.94</u>
Less : Allocated to capital account etc.	126.66	131.79
	<u>3,125.94</u>	<u>2,889.15</u>

**(B) Employee Benefits**

The Group makes contributions for provident fund and pension (including for superannuation) schemes. For these schemes, such contributions are made based on current salaries, to funds maintained by the Group and for certain categories, to State Plans. For certain schemes, contributions are also made by the employees. An amount of ₹ 81.67 crore (previous year : ₹ 85.37 crore), has been charged to the Statement of Profit and Loss. The Group also operates schemes like gratuity, leave encashment and other retiral benefits including medical which offers specified benefits to the eligible employees. Annual actuarial valuations are carried out by independent actuaries. Wherever independent trust funds have been set up, annual contributions are made by the Group and in certain cases, such trust funds in turn, invests in the Employees Group Benefit Scheme of eligible agencies. Employees are not required to make any contribution.

# Notes forming Part of Consolidated Financial Statements (Contd.)

## NOTE - 30 EMPLOYEE BENEFIT EXPENSES (Contd.)

### Net Liability / (Asset) recognized in the Balance Sheet :

₹ in Crore

	For the year ended 31st March, 2016					For the year ended 31st March, 2015				
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee
Present value of funded obligation/ yet to be funded obligation	337.11	0.34	-	-	-	310.61	0.24	-	-	-
Fair Value of Plan Assets	282.81	-	-	-	-	250.55	-	-	-	-
	54.30	0.34	-	-	-	60.06	0.24	-	-	-
Present value of un-funded obligation	1.44	124.33	50.49	31.27	-	0.78	109.63	42.23	24.68	-
Unrecognised past service cost	-	-	-	-	-	-	-	-	-	-
Net Liability/(Asset)	55.74	124.67	50.49	31.27	-	60.84	109.87	42.23	24.68	-

In respect of one of the subsidiaries, no asset has been recognised in the books since the subsidiary does not have any "right" with respect to such amount as per para 59 and 60 of AS -15 of Employee Benefits

₹ in Crore

	For the year ended 31st March, 2014					For the year ended 31st March, 2013			
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension
Present value of funded obligation/ yet to be funded obligation	257.38	-	-	-	-	207.88	-	-	-
Fair Value of Plan Assets	199.63	-	-	-	-	189.09	-	-	-
	57.75	-	-	-	-	18.79	-	-	-
Present value of un-funded obligation	0.47	91.68	32.84	25.78	2.20	0.29	72.56	23.70	20.86
Unrecognised past service cost	-	-	-	-	-	-	-	-	-
Net Liability/(Asset)	58.22	91.68	32.84	25.78	2.20	19.08	72.56	23.70	20.86

	For the year ended 31st March, 2012		
	Gratuity	Leave Encashment	Medical
Present value of funded obligation/ yet to be funded obligation	172.71	-	-
Fair Value of Plan Assets	161.43	-	-
	11.28	-	-
Present value of un-funded obligation	-	62.47	18.69
Unrecognised past service cost	-	-	-
Net Liability/(Asset)	11.28	62.47	18.69

### Experience Adjustment

₹ in Crore

	For the year ended 31st March, 2016					For the year ended 31st March, 2015				
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee
Experience (Gain) / Loss adjustment on plan liabilities	25.17	10.76	(2.64)	(0.67)	-	14.64	5.88	0.81	(3.12)	(2.41)
Experience (Gain) / Loss adjustment on plan assets	0.26	-	-	-	-	4.41	0.06	-	-	-
Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption	0.56	0.27	7.74	4.09	-	17.69	7.36	7.20	3.66	-

₹ in Crore

	For the year ended 31st March, 2014					For the year ended 31st March, 2013			
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension
Experience (Gain) / Loss adjustment on plan liabilities	60.12	22.74	2.24	6.62	(0.18)	6.74	4.83	3.51	7.20
Experience (Gain) / Loss adjustment on plan assets	0.96	-	-	-	-	(1.59)	-	-	-
Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption	(13.65)	(5.42)	(3.74)	(0.09)	2.20	7.30	3.00	0.96	(0.22)

# Notes forming Part of Consolidated Financial Statements (Contd.)

## NOTE - 30 EMPLOYEE BENEFIT EXPENSES (Contd.)

Expenditure shown in the Note 29 to Statement of Profit and Loss as follows :

₹ in Crore

	For the year ended 31st March, 2016					For the year ended 31st March, 2015				
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee
Current Service Cost	20.26	3.67	1.46	-	-	14.10	2.46	-	-	-
Interest Cost	23.24	8.53	3.28	1.92	-	22.42	8.45	2.95	2.20	0.20
Expected Return on Plan Assets	(19.37)	-	-	-	-	(19.47)	-	-	-	-
Actuarial loss/(gain)	25.91	11.72	5.10	3.42	-	32.26	15.48	8.00	0.54	(2.40)
Plan Amendment	-	-	-	5.71	-	-	-	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-	-	-
Total	50.04	23.92	9.84	11.05	-	49.31	26.39	10.95	2.74	(2.20)

Reconciliation of Opening and Closing Balances of the present value of obligations :

₹ in Crore

	For the year ended 31st March, 2016					For the year ended 31st March, 2015				
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee
Opening defined benefit obligation	300.61	110.26	42.23	24.68	-	258.38	91.99	32.84	25.78	2.20
Adjustment on acquisition	-	-	-	-	-	-	-	-	-	-
Current Service Cost	20.26	3.67	1.46	-	-	14.10	2.46	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-	-	-
Interest Cost	23.24	8.53	3.28	1.92	-	22.42	8.45	2.95	2.20	0.20
Plan Amendments	-	-	-	5.71	-	-	-	-	-	-
Actuarial loss/(gain)	25.70	11.72	5.10	3.42	-	32.26	15.48	8.00	0.54	(2.40)
Benefits paid	(31.26)	(9.51)	(1.58)	(4.46)	-	(26.55)	(8.12)	(1.56)	(3.84)	-
Closing Defined Benefit Obligation	338.55	124.67	50.49	31.27	-	300.61	110.26	42.23	24.68	-

Reconciliation of Opening and Closing Balances of fair value of Plan Assets :

₹ in Crore

	For the year ended 31st March, 2016					For the year ended 31st March, 2015				
	Gratuity	Leave Encashment	Medical	Pension	PF Interest	Gratuity	Leave Encashment	Medical	Pension	PF Interest
Opening fair value of Plan Assets	250.55	-	-	-	-	200.21	-	-	-	-
Adjustment on acquisition	-	-	-	-	-	-	-	-	-	-
Expected Return on Plan Assets	19.44	-	-	-	-	19.57	-	-	-	-
Actual Company Contributions	45.63	0.04	-	-	-	52.91	-	-	-	-
Actuarial gain/(loss)	(1.69)	-	-	-	-	4.41	-	-	-	-
Benefits paid	(31.12)	(0.04)	-	-	-	(26.55)	-	-	-	-
Closing Fair Value on Plan Assets	282.81	-	-	-	-	250.55	-	-	-	-
Actual Return on Plan Assets	19.18	-	-	-	-	23.97	-	-	-	-

The major categories of plan assets consist of funds maintained with insurer like LIC, ICICI Prudential, Birla Sun Life and HDFC Standard Life.

Effect of increase/decrease of one percentage point in the assumed medical inflation rates :

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	Increase	Decrease	Increase	Decrease
Effect on defined benefit obligation	50.99	(38.58)*	42.64	(31.10)*

\* in case of hospitalised treatment only

Principal Actuarial Assumptions Used :

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Discount Rates	7.75% to 8.00%	7.78% to 9.20%
Expected Return on Plan Assets	5.00% to 9.00%	8.75% to 9.20%
Rate of increase in medical cost trend	2.50%	2.50%
Mortality Rates	"LIC 2006-08 Ultimate"	"LIC 2006-08 Ultimate"

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations. The contribution expected to be made by the Group for the year ending 31st March, 2017 is not readily ascertainable and therefore, not disclosed. However, certain subsidiaries expect to contribute 0.50 crore to the Gratuity fund for the year ended 31st March, 2017.

Above disclosures as required by AS 15 - Employee Benefits are given to the extent available from the actuarial report.



## NOTE - 34 Leases :

### (a) With respect to Parent :

Future rent payable in respect of non-cancellable leases for assets comprising various equipment and vehicles acquired under operating leases for the period ranging between 30-60 months work out to ₹ 3.45 crore (previous year : ₹ 3.5 crore) and ₹ 5.78 crore (previous year : ₹ 10.21 crore) during next one year and thereafter till five years respectively. There are no restrictions in respect of such leases.

### (b) With respect to certain Subsidiaries :

(i) Certain subsidiaries have taken retail stores, office facilities, residential facilities and office equipments on operating lease and the lease rent is payable as per the agreements entered into with the lessors. Agreements are both in the nature of cancellable and non-cancellable leases. The lease term is for varied years and renewable for further years as per the agreements at the option of the subsidiaries. There are no restrictions imposed by these lease agreements. There are no sub-leases. The details of lease rentals payable are given below :

Operating Leases	₹ in Crore	
	2015-16	2014-15
Lease payments for the year	197.26	193.99
Future minimum lease payments –		
Not later than one year	129.17	119.42
Later than one year but not later than five years	372.59	299.40
Later than five years	582.18	419.50

Subsidiaries also lease office facilities and residential facilities under cancellable operating leases that are renewable on a periodic basis at the option of both the lessor and lessee. Rental expenses under cancellable operating leases for the year ended 31st March, 2016 aggregated ₹ 54.77 crore (previous year : ₹ 51.82 crore)

(ii) Subsidiaries in Process Outsourcing business have acquired certain capital assets under finance lease. Future minimum lease payments under finance lease as at 31st March, 2016 are as follows :

As at 31st March, 2016	Minimum lease payments	Finance charges	Present value of minimum lease payments
Amount payable within one year from the balance sheet date	10.49	0.79	9.70
Amount payable in the period between one year and five years	10.57	0.61	9.95
	21.06	1.40	19.65

(iii) Subsidiaries in Process Outsourcing business have given vehicles on finance lease to its employees as per policy. As at 31st March, 2016, the future minimum lease rentals receivables are as follows:

As at 31st March, 2016	Minimum lease payments	Finance charges	Present value of minimum lease payments
Amount receivable within one year from the balance sheet date	1.78	0.31	1.46
Amount receivable in the period between one year and five years	2.32	0.27	2.06
	4.10	0.58	3.52

(c) With respect to subsidiaries in Process Outsourcing business, assets taken on finance lease included in the Fixed Assets Note no. 13 and 14 is as follows :

As at 31st March, 2016	Tangible Assets				Intangible Assets
	Leasehold Buildings and Structures	Office Equipments	Plant and Equipments	Furniture and Fixtures	Software
Gross Block (at cost)	22.37	6.37	25.59	3.24	6.85
Accumulated Depreciation / Amortisation	8.73	6.37	17.14	1.89	6.85
Net Block	13.64	-	8.45	1.35	-



**NOTE - 35** The major components of net Deferred Tax Assets/(Liabilities) based on the timing difference as at 31st March, 2016 are as under:

**Deffered Tax Liabilities (net)** ₹ in Crore

	2015-16	2014-15
<b>Liabilities</b>		
Excess of tax depreciation over book depreciation	(1,236.36)	(918.86)
<b>Assets</b>		
Unabsorbed business losses	1,139.34	823.30
Other Timing Differences	17.52	12.40
<b>Net Deferred Tax Liability</b>	<b>(79.50)</b>	<b>(83.16)</b>

**Deffered Tax Assets (net)** ₹ in Crore

	2015-16	2014-15
<b>Liabilities</b>		
Excess of tax depreciation over book depreciation	(1,435.96)	(1,256.35)
<b>Assets</b>		
Unabsorbed business depreciation	80.63	80.63
Unabsorbed business losses	199.42	199.42
Other Timing Differences	46.18	45.97
<b>Net Deferred Tax Liability</b>	<b>(1,109.73)</b>	<b>(930.33)</b>
Less : Recoverable deferred tax element of Parent	1,420.26	1,240.86
<b>Net Deferred Tax Asset</b>	<b>310.53</b>	<b>310.53</b>

Note : In respect of one of the subsidiaries, there are unabsorbed depreciation and carry forward losses as at the Balance Sheet date. However, based on future profitability projections, the subsidiary is virtually certain that there would be sufficient taxable income in the future and hence, continues to carry deferred tax asset (DTA) of ₹ 310.53 crore (31.03.2015 : ₹ 310.53 crores). Considering that the above is a special item the deferred tax liabilities with respect to the other companies has not been adjusted from the above mentioned amount.

**NOTE - 36 Earnings per share :**

**Computation of Earnings per share**

₹ in Crore

Particulars	2015-16	2014-15
A. Profit After Tax (₹ in Crore)	366.39	198.51
B. Weighted Average no. of shares for Earnings per share	13,25,57,043	12,80,05,252
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)	27.64	15.51

**NOTE - 37** Certain subsidiaries in the organised retail industry, have accumulated losses exceeding shareholder's funds as on the balance sheet date. The subsidiaries, however, having created robust infrastructure for organised retail business, is confident of generating positive cash flows and operational surplus in the near future. The parent has also committed to provide continued financial and governance support to the subsidiaries. Further, the losses for the subsidiaries are reducing and the subsidiaries are also operating at a positive EBITDA in aggregate at store level. Therefore, the subsidiaries are confident about the continuity of its operations and long term viability.

**Note 38** The accumulated losses in respect of a step down subsidiary, attributable to the minority shareholder has exceeded the investment of the minority shareholder in the subsidiary as on 31st March, 2016. Since the minority shareholder is not contractually obligated to contribute towards the excess losses, share of the minority shareholder in the losses has been restricted to the extent of the investment of the minority shareholder, as per AS 21- Consolidated Financial Statements. The minority interest as at Balance Sheet Date is Nil in respect of that subsidiary.

**Note 39** In respect of Parent, in terms of the provisions of the Companies Act, 2013, members of the Company at the 37th Annual General Meeting held on 31st July, 2015 have approved payment of commission to the Non Executive Directors commencing from the Financial Year 2014-15 at a rate not exceeding 3% p.a. 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 11% of the net profits for the relevant Financial Year. The said commission has been fully provided for the year 2015-16.

**Note 40** In line with the changed business scenario with respect to the retailing of music through physical format and also in continuation of its steps taken by certain subsidiaries in the last year the subsidiaries have fully discontinued its operations in one of the subsidiaries during the year. Promoters will continue to provide its funding for discharging its balance liabilities. Accordingly, the financial statements have been prepared stating balance of unpaid liabilities and realisable assets of one of the subsidiaries.

**Note 41 Employee Stock Option Plans**

Certain subsidiaries have following stock option plans:

- (i) Stock option scheme 2002 ('Scheme 2002') – As per the Scheme, Compensation cum Board Governance Committee ('the Committee') had issued stock options to the employees at an exercise price equal to the fair value on the date of grant, as determined by an independent valuer. The scheme had provided that these options would vest in tranches over a period of 12 to 48 months from the date of grant. This scheme was revoked during the Financial Year 2015-16 as all the options granted under it had been vested and exercised and remaining options had been cancelled. There was no activity under the Scheme 2002 during the year.
- (ii) Employee stock option scheme 2003 ('Scheme 2003') - Board and the members of one of the subsidiaries had approved the Employee stock option scheme 2003 ('Scheme 2003') Scheme effective 11th October, 2003. The scheme would be administered and supervised by the members of the Compensation Committee. The key terms and conditions were included in Scheme 2003 in line with Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (as amended by SEBI (Share Based Employee Benefits) Regulations, 2014). The subsidiary amended the Scheme 2003 in line with the SEBI (Share Based Employee Benefits) Regulations, 2014.

Key changes effected in Scheme 2003 were as follows :

- The definition of employee was changed to exclude Independent Director, any employee who is a promoter or belonging to promoter group or a director who himself or through his relative or any body corporate, holds more than 10% of the equity capital of the Company.
- Relevant date in terms of the scheme has been included which means- (i) in the case of grant, the date of the meeting of the compensation committee on which the grant is made; or (ii) in the case of exercise, the date on which the notice of exercise is given to the Company.
- The name of Compensation Committee was changed to Nomination and Remuneration Committee (hereinafter referred as 'Committee').

As per the Scheme, the Committee issued stock options to the employees at an exercise price equal to the fair value on the date of grant, as determined by an independent valuer.

Further the participants shall exercise the options within a period of ten years from the date of the grant of the options.

- Exercise price will be determined based on a fair valuation carried out at the beginning of every six months for options granted during those respective periods.
- After the Company has been listed on any stock-exchange, the Exercise Price shall be determined by the Committee on the date the Option is granted in accordance with, and subject to, Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (as amended by SEBI (Share Based Employee Benefits) Regulations, 2014).

Outstanding options as on 1st April 2015	4,23,08,052
Granted during the period	33,50,000
Exercised during the period	(70,23,453)
Forfeited and lapsed during the period	<u>(1,21,38,982)</u>
Outstanding options as on 31st March 2016	2,64,95,617

Outstanding options as at 31st March, 2016 out of 'Scheme 2003' is 2,64,95,617.

These subsidiaries apply the intrinsic value based method of accounting for determining compensation cost for its stock based compensation plan.

## NOTE - 42 Adoption of AS 30

In December 2007, the ICAI issued AS 30, Financials Instruments: Recognition and Measurement, recommendatory in respect of accounting periods commencing on or after 1st April, 2009 and mandatory in respect of accounting periods commencing on or after 1st April, 2011 for the Company.

In March 2008, ICAI announced that earlier adoption of AS 30 is encouraged. However, AS 30, along with limited revision to other Accounting Standards, has not been notified under the Companies (Accounts) Rules, 2014.

On 1st October, 2008, certain subsidiaries, early adopted AS 30 in its entirety, read with AS 31, effective 1st April, 2008 and the limited revisions to other Accounting Standards.

AS 30 states that particular sections of other Accounting Standards; AS 4, Contingencies and Events Occurring after Balance Sheet date, to the extent it deals with contingencies, AS 11 (revised 2003), The Effects of Changes in Foreign Exchange Rates, to the extent it deals with the 'forward exchange contracts' and AS 13, Accounting for Investments, except to the extent it relates to accounting for investment properties, would stand withdrawn only from the date AS 30 becomes mandatory (1st April, 2011). In view of that, in case of certain subsidiaries, on an early adoption of AS 30, accounting treatment made on the basis of the relevant sections of Accounting Standards referred above viz. AS 4, AS 11 and AS 13 stands withdrawn as it believes that principles of AS 30 more appropriately reflect the nature of these transactions.

Pursuant to the early adoption of AS 30, certain subsidiaries has discounted non-interest-bearing deposits to their present value and the difference between original amount of deposit and the discounted present value has been disclosed as "Unamortised cost" under other current and non-current assets. This unamortised cost is charged to the statement of profit and loss over the period of related lease. Correspondingly, interest income is accrued on these interest-free deposits using the implicit rate of return over the period of lease and is recognised under "Interest income".

In accordance with the transition provisions of AS 30, impact on first time adoption was accounted in General Reserve.

The said subsidiaries have also designated forward contracts to hedge highly probable forecasted transactions on the principles as set out in AS 30 (Also refer Note-42).

Consequent to the early adoption of AS 30 as stated above, the profit after taxation for the period and Reserves and Surplus as at the Balance sheet date with respect to certain subsidiaries is higher by ₹ 17.84 crores (31 March 2015: higher by ₹ 8.62 crores) and ₹ 55.57 crores (31 March 2015: ₹ 0.68 crores) respectively. The increase in reserve and surplus includes translation gain on the investment in non-integral foreign operation used as hedging against translation loss on ECB, which is currently credited to reserve and surplus, would be transferred to Consolidated statement of profit and loss upon disposal of non-integral foreign operation.

## NOTE - 43 Derivatives

As at 31st March, 2016, certain subsidiaries have derivative financial instruments to sell USD 3.7 crore (31 March, 2015 : USD 4.2 crore) having fair value gain of ₹ 3.42 crore (31 March, 2015 : gain of ₹ 5.07 crore), GBP 5.72 crore (31 March, 2015 : GBP 6.3 crore) having fair value gain of ₹ 49.33 crore (31 March, 2015 : gain of ₹ 67.72 crore) relating to highly probable forecasted transactions.

Foreign currency exposures with respect to certain subsidiaries on loans and receivables that are not hedged by derivative instruments or otherwise are ₹ 75.31 crore (equivalent to USD 0.38 crore, AUD 0.66 crore and GBP 0.17 crore) (31 March, 2015 : ₹ 34.03 crore (equivalent to USD 0.24 crore, AUD 0.07 crore and GBP 0.17 crore)).

## Note - 44 C.I.F. value of imports :

(₹ In Crore)

	2015-16	2014-15
Fuel	254.51	181.55
Capital Goods	12.06	18.84
Stores	6.33	3.74
Total	272.90	204.13

# Notes forming Part of Consolidated Financial Statements (Contd.)



## Note - 45 Expenditure in foreign currency :

(₹ In Crore)

	2015-16	2014-15
Travelling	1.66	1.04
Finance cost	55.26	63.16
Advance/Milestone for Equipment Supply	105.93	64.69
Fee for technical services	17.92	22.39
Consultancy & Others	1.94	2.58
<b>Total</b>	<b>182.71</b>	<b>153.86</b>

## NOTE - 46 Dividend remitted in foreign currency :

On account of dividends to non-resident shareholders relating to previous year in respect of the Parent

	2015-16			2014-15		
	No. of Shareholders	No. of Shares held	Net amount remitted ₹ In Crore	No. of Shareholders	No. of Shares held	Net amount remitted ₹ In Crore
Equity Dividend	373	6,67,965	0.60	354	6,80,374	0.54

## NOTE - 47 Earnings in foreign exchange :

(₹ In Crore)

	2015-16	2014-15
Income from Consultancy	-	0.05
<b>Total</b>	<b>-</b>	<b>0.05</b>

**NOTE 48** Pursuant to the judgement dated 25th August, 2014 of the Hon'ble Supreme Court of India read with its Order dated 24th September, 2014, the allotment of 204 coal blocks including Mahuagarhi Coal Block that was being developed by the joint venture Company has been cancelled on the ground that the process of allotment of these coal blocks by the Ministry of Coal, Government of India was arbitrary and illegal. Consequently total expenditure amounting to ₹ 63,431,937 incurred by the joint venture Company towards development of the Mahuagarhi Coal Block till 31st March, 2015, has been written off in the accounts of 2014-15. As the Company was promoted for developing the said Mahuagarhi Coal Block and has no other business, its future structuring is being worked out.

**NOTE 49** Additional levy amounting to ₹ 998 crore paid to the account of the Central Government, in terms of the provisions of the Coal Mines (Special Provisions) Ordinance, 2014, read with the Coal Mines (Special Provisions) Rules, 2014 framed thereunder, Coal Mines (Special Provisions) Second Ordinance, 2014 and Coal Mines (Special Provisions) Act, 2015, relating to the output of Sarisatolli Coal Block for meeting part of the Company's coal requirement since inception to 31st March, 2015, has been considered as recoverable (accounted for in the year ended 31st March, 2015 as exceptional item and partly fuel cost) by way of tariff in terms of the applicable laws / regulations, for which appropriate reference has been made to West Bengal Electricity Regulatory Commission, and being pursued by the management, the nature of payment being in the form of levy and given the facts and circumstances of the incidence thereof.

**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, in respect of the parent, 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 is 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. The Company has considered the implication of withdrawal of the Guidance Note on Treatment of Reserves arising on revaluation of assets, by the Institute of Chartered Accountants of India, from 14th October, 2015 and announced on 21st October, 2015 in its financial statements and based on legal opinions and independent accounting opinions obtained, continues with the consistently followed practice of recouping from the Revaluation Reserve the additional charge of depreciation relating to the increase in value arising from revaluation, which for the year ended 31st March, 2016 amounts to ₹ 112.00 crore (previous year ₹ 109.76 crore).

# Notes forming Part of Consolidated Financial Statements (Contd.)

**NOTE 51** The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law /accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

**NOTE 52** In terms of the provisions of Companies Act, 2013, the required Corporate Social Responsibility (CSR) spending works out to ₹ 16.53 crore (previous year : ₹ 15.17 crore), which has been met by way of contribution to a trust set up for the said purpose and direct expenditure of ₹ 14.57 crore (previous year : ₹ 12.11 crore ) and ₹ 2.02 crore (previous year ₹ 3.06 crore) respectively.

Certain subsidiaries have contributed to the Trust created by the Parent Company for activities for promoting Healthcare, Art/ Culture, Sports and Education. These subsidiaries have spent ₹ 2.63 crore during the year on CSR activities.

**Note 53** Statement pursuant to requirement of Schedule III to the Companies Act 2013 relating to Company's interest in subsidiary companies for the year ended 31st March 2016

Sl. No.	Name of the Subsidiaries	Country of Incorporation	31-Mar-16		2015-16	
			Net Assets (₹ in crore)	As % of Consolidated Net Assets	Profit (₹ in crore)	As % of Consolidated Profit/(Loss)
	<b>Parent</b>					
1	CESC Limited	India	3,202.28	51.09%	2,398.37	655%
	<b>Subsidiaries - Indian</b>					
2	Spencer's Retail Limited (SRL)	India	(7.55)	(0.12%)	(126.30)	(34%)
3	Music World Retail Limited (100% subsidiary of SRL)	India	(0.64)	(0.01%)	0.45	0%
4	Au Bon Pain Café India Limited (91.5% subsidiary of SRL)	India	16.04	0.26%	(21.35)	(6%)
5	Omnipresent Retail India Private Limited (100% subsidiary of SRL)*	India	(0.44)	(0.01%)	(4.97)	(1%)
6	Quest Properties India Limited (QPIL)	India	243.62	3.89%	23.13	6%
7	Metromark Green Commodities Private Limited (100% subsidiary of QPIL)	India	3.19	0.05%	(0.20)	(0%)
8	CESC Infrastructure Limited (CIL)	India	36.12	0.58%	3.36	1%
9	Haldia Energy Limited (100% subsidiary of CIL)	India	975.23	15.56%	(1,471.63)	(402%)
10	Dhariwal Infrastructure Limited (100% subsidiary of CIL)	India	515.95	8.23%	(589.75)	(161%)
11	Surya Vidyut Limited (70% CESC, 30% HEL)	India	143.75	2.29%	4.48	1%
12	Nalanda Power Company Limited	India	0.51	0.01%	(0.01)	(0%)
13	CESC Projects Limited	India	1.63	0.03%	(5.56)	(2%)
14	Pachi Hydropower Projects Limited	India	7.62	0.12%	(0.08)	(0%)
15	Papu Hydropower Projects Limited	India	10.97	0.18%	(0.01)	(0%)
16	Ranchi Power Distribution Company Private Limited	India	5.60	0.09%	(6.42)	(2%)
17	Sheesham Commercial Pvt Ltd (50% DIL , 50% CESC)	India	0.23	0.00%	0.00	0%
18	Wigeon Commotrade Pvt Ltd (33% DIL , 33% HEL, 34% CESC)	India	0.11	0.00%	0.03	0%
19	Water Hyacinth Commosale Private Limited (50% HEL , 50% CESC)	India	0.02	0.00%	(0.00)	(0%)
20	Crescent Power Limited (67.83% CESC) (CPL)	India	230.69	3.68%	32.79	9%
21	New Rising Promoters Private limited (100% of CPL)**	India	(2.94)	(0.05%)	(2.95)	(1%)
22	Spn Liq Private Limited	India	(464.12)	(7.40%)	(0.02)	(0%)
23	Firstsource Solutions Limited (FSL)	India	2,881.72	45.98%	147.63	40%
24	Firstsource Process Management Services Ltd.	India	3.02	0.05%	0.11	0%

# Notes forming Part of Consolidated Financial Statements (Contd.)

**NOTE - 53 Statement pursuant to requirement of Schedule III to the Companies Act 2013 relating to Company's interest in subsidiary companies for the year ended 31st March 2016 (Contd.)**

Sl. No.	Name of the Subsidiaries	Country of Incorporation	31-Mar-16		2015-16	
			Net Assets (₹ in crore)	As % of Consolidated Net Assets	Profit (₹ in crore)	As % of Consolidated Profit/(Loss)
<b>Subsidiaries - Foreign</b>						
25	Firstsource Group USA, Inc. (FG USA) (100% subsidiary of FSL)	USA	(696.05)	(11.11%)	(40.18)	(11%)
26	Firstsource BPO Ireland Ltd. (100% subsidiary of FSL)	Ireland	(0.34)	(0.01%)	1.50	0%
27	Firstsource Solutions UK Ltd. (100% subsidiary of FSL)	UK	61.78	0.99%	76.32	21%
28	Firstsource-Dialog Solutions Pvt. Ltd. ( 74% subsidiary of FSL)	Sri Lanka	7.58	0.12%	1.68	0%
29	Firstsource Business Process Services, LLC (100% subsidiary of FG USA)	USA	9.78	0.16%	(0.01)	(0%)
30	Firstsource Solutions USA, LLC (100% subsidiary of MH LLC)	USA	(57.05)	(0.91%)	16.93	5%
31	Firstsource Advantage, LLC (100% subsidiary of FBPS)	USA	122.39	1.95%	8.27	2%
32	Firstsource Transaction Services, LLC (100% subsidiary of FS USA)	USA	76.32	1.22%	35.06	10%
33	Firstsource Solutions S.A. (Argentina) (100 % subsidiary of FSL UK)	Argentina	-	0.00%	-	0%
34	One Advantage LLC (100% subsidiary of FBPS)	USA	17.61	0.28%	15.99	4%
35	Medassist Holding LLC (100% subsidiary of FG USA)	USA	-	0.00%	-	0%
36	Bantal Singapore Pte Limited	Singapore	72.89	1.16%	(0.14)	(0%)
<b>Minority Interest in all subsidiaries</b>			<b>(1,149.69)</b>	<b>(18.34%)</b>	<b>(130.13)</b>	<b>(36%)</b>
<b>Joint Venture</b>						
1	Mahuagarhi Coal Company Private Limited	India	(0.12)	(0.00%)	-	0%
			<b>6,267.71</b>	<b>100%</b>	<b>366.39</b>	<b>100%</b>

\* Included w.e.f. 14th December 2015

\*\* Included w.e.f. 4th December 2015

**NOTE - 54 Consolidated Segment Reporting**

**a. Primary Segment Information - Business Segments**

(₹ In Crore)

Particulars	Power		Retail		Property		Process Outsourcing		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Sales revenue from external customers	6,780.47	6,336.42	1,807.68	1,622.78	83.19	74.63	3,228.18	3,032.80	11,899.52	11,066.63
Other Segment Revenue	134.50	72.51	73.48	65.26	1.99	2.14	9.08	9.10	219.05	149.01
Total Segment Revenue	6,914.97	6,408.93	1,881.16	1,688.04	85.18	76.77	3,237.26	3,041.90	12,118.57	11,215.64
Segment Result Before Interest, Tax and exceptional items	1,996.49	1,210.83	(96.24)	(113.68)	48.62	43.90	345.93	313.53	2,294.80	1,454.58
Unallocated Finance cost	-	-	-	-	-	-	-	-	1,485.62	956.48
Exceptional items	-	-	-	-	-	-	-	-	3.97	-
Profit before Taxation and Minority Interest	-	-	-	-	-	-	-	-	805.24	498.10
Provision for taxation	-	-	-	-	-	-	-	-	308.72	199.21
Profit after Taxation before Minority Interest	-	-	-	-	-	-	-	-	496.52	298.89
Segment Assets	23,828.20	22,865.99	507.62	499.65	479.73	474.27	1,127.56	1,575.88	25,943.11	25,415.79
Unallocated Assets	-	-	-	-	-	-	-	-	2,694.06	2,522.33
Total Assets	-	-	-	-	-	-	-	-	28,637.17	27,938.12
Segment Liabilities	5,600.50	5,884.97	280.03	268.24	45.22	56.25	287.96	264.34	6,213.71	6,473.80
Unallocated Liability	-	-	-	-	-	-	-	-	15,006.05	14,434.88
Total Liabilities	-	-	-	-	-	-	-	-	21,219.76	20,908.68
Capital Expenditure	1,216.80	2,106.20	42.14	47.74	19.88	64.79	223.70	62.26	1,502.52	2,280.99
Depreciation (including amortisation of Intangible assets )	654.33	464.08	41.75	43.09	10.35	9.59	66.20	72.18	772.63	588.94
Non Cash Expenditure other than depreciation and amortisation	220.54	142.56	1.92	1.27	-	-	8.60	23.55	231.06	167.38

**Notes:**

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

(b) **Secondary Segment Information - Geographical Segments**

(₹ In Crore)

Particulars	Segment Revenue excluding other segment revenue		Segment Assets		Capital Expenditure	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Within India	8,923.62	8,309.45	22,721.58	22,639.95	1,347.44	2,246.24
UK	1,187.93	1,077.84	142.86	113.64	37.94	2.94
USA and Canada	1,730.57	1,479.54	2,740.26	2,584.96	39.89	31.66
Rest of the World	57.40	199.80	80.58	77.24	0.37	0.14
Unallocated	-	-	2,951.89	2,522.33	-	-
Total	11,899.52	11,066.63	28,637.17	27,938.12	1,425.64	2,280.98

In respect of subsidiaries in Process Outsourcing business having operations outside India, as the fixed assets and services are used interchangeably between the segments by the businesses, the Group believes that it is currently not practicable to provide geographical segment disclosures relating to these assets and capital expenditure which has been considered as unallocated expenditure.

- c. The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments.

**NOTE - 55 Related Party disclosure**

**Related Party and their relationship**

Names of Related Parties	Nature of Relationship
Mr. Sanjiv Goenka	Chairman, CESC Limited
Mr. Aniruddha Basu	Key Management Personnel, CESC Limited
Mahuagarhi Coal Company Private Limited	Joint Venture

**Particulars of transactions :**

(₹ In Crore)

Nature	Key Management Personnel	
	2015-16	2014-15
Remuneration	2.26	1.58
Closing Balance :		
Debit	-	-
Credit	0.48	0.48

During the year, (i) a sum of ₹ 52.92 crore (previous year : ₹ 24.85 crore) as dividend for financial year 2014-15 and ₹ 58.79 crore as interim dividend for the year 2015-16 were paid to Rainbow Investments Limited, an enterprise related to the Company in terms of Para 3(e) of Accounting Standard AS -18 issued by ICAI, holding 44% in the paid up share capital of the Company (25% in 2013-14) and (ii) Commission and sitting fees paid to the Chairman amounting to ₹ 23.36 crore (previous year : ₹ 8.49 crore).

## Notes forming Part of Consolidated Financial Statements *(Contd.)*



**NOTE 56** The unhedged foreign exchange exposure of the Group in respect of foreign currency loan, interest, trade payable etc. as on 31st March, 2016 amounts to ₹ 0.93 crore ( 31.03.2015 : ₹ 281.03 crore).

**NOTE 57** The Group has reclassified previous year's figures to conform to this years classification alongwith other regrouping / rearrangement wherever necessary.

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

Sougata Mukherjee  
Partner  
Membership No. : 057084  
Kolkata, 19th May, 2016

Subhasis Mitra  
Company Secretary

Rajarshi Banerjee  
Executive Director & CFO

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka  
Managing Director Aniruddha Basu



# Statement Containing Salient Features of the Financial Statement of Subsidiary / Associates / Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014)

## Part A : Subsidiaries

Sl. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for taxation	Profit after Taxation	Proposed Dividend	% of shareholding
1	Spencer's Retail Limited	2015-16	INR	296.75	(1,471.47)	916.79	916.79	94.47	1,865.00	(142.28)	-	(142.28)	-	100
2	Au Bon Pain Café India Limited	2015-16	INR	94.40	(81.09)	19.63	19.63	-	15.83	(21.35)	-	(21.35)	-	91.53
3	Music World Retail Limited	2015-16	INR	5.00	(26.04)	-	-	-	0.48	0.45	-	0.45	-	100
4	Omnipresent Retail India Pvt. Limited	2015-16	INR	0.62	(12.88)	0.93	0.93	-	1.60	(8.57)	(3.36)	(11.93)	-	100
5	Quest Properties India Limited	2015-16	INR	259.31	(10.21)	509.62	509.62	1.15	91.34	12.04	(2.58)	9.46	-	100
6	MetroMark Green Commodities Pvt. Ltd*	2015-16	INR	0.02	(0.78)	2.20	2.20	-	-	-	-	(0.20)	-	100
7	CESC Infrastructure Limited	2015-16	INR	2,688.05	(2.66)	2,896.46	2,896.46	2,719.79	4.47	3.36	-	3.36	-	100
8	Haldia Energy Limited	2015-16	INR	1,203.44	141.24	5,301.23	5,301.23	40.00	1,719.97	295.70	63.10	232.60	-	100
9	Dharwal Infrastructure Limited	2015-16	INR	1,175.77	(1,131.58)	4,001.13	4,001.13	-	115.50	(589.43)	-	(589.43)	-	100
10	Surva Vidyut Limited	2015-16	INR	134.24	8.82	535.33	535.33	-	45.04	8.79	4.31	4.48	-	100
11	Nalanda Power Company Limited*	2015-16	INR	1.35	0.86	0.49	0.49	-	-	(0.01)	-	(0.01)	-	100
12	CESC Projects Limited*	2015-16	INR	18.85	(16.82)	3.15	3.15	-	-	(5.56)	-	(5.56)	-	100
13	Bantal Singapore Pte. Limited	2015-16	INR	56.68	16.20	72.97	72.97	71.71	-	(0.14)	-	(0.14)	-	100
14	Ranchi Power Distribution Company Limited *	2015-16	INR	23.50	(23.39)	6.37	6.37	-	0.01	(6.42)	-	(6.42)	-	100
15	Pachi Hydropower Projects Limited *	2015-16	INR	4.42	(2.82)	2.61	2.61	-	-	(0.08)	-	(0.08)	-	100
16	Papu Hydropower Projects Limited *	2015-16	INR	2.82	(2.01)	0.81	0.81	-	-	(0.01)	-	(0.01)	-	100
17	Spn. Liq Private Limited	2015-16	INR	471.03	1.10	472.17	472.17	471.69	-	(0.02)	-	(0.02)	-	100
18	Sheesham Commercial Private Limited*	2015-16	INR	-	(0.25)	0.24	0.24	-	-	-	-	-	-	100
19	Water-Hyacinth Commosale Private Limited*	2015-16	INR	-	(0.08)	0.03	0.03	-	-	-	-	-	-	100
20	Wigeon Comtrade Private Limited*	2015-16	INR	-	(0.40)	0.13	0.13	-	0.04	0.03	-	0.03	-	100
21	Crescent Power Limited	2015-16	INR	60.00	148.62	439.46	439.46	14.06	160.08	56.57	13.13	43.44	-	67.83
22	New Rising Promoters Private Limited	2015-16	INR	0.01	(2.96)	11.13	11.13	-	-	(2.95)	-	(2.95)	-	67.83
23	Firstsource Solutions Limited	2015-16	INR	673.32	1,097.65	2,055.88	2,055.88	1,266.34	874.88	174.12	24.38	149.73	-	55.54
24	Firstsource Process Management Services Limited	2015-16	INR	1.05	1.97	3.06	3.06	2.75	0.22	0.13	0.02	0.11	-	55.54
25	Firstsource Group USA, Inc. \$	2015-16	INR	1.45	1,262.38	2,583.70	2,583.70	-	239.40	(55.88)	(15.63)	(40.25)	-	55.54
26	Firstsource Business Process Services, LLC \$	2015-16	INR	-	146.63	263.51	263.51	-	-	-	-	-	-	55.54
27	Firstsource Advantage LLC \$	2015-16	INR	0.07	142.81	159.59	159.59	-	289.91	8.38	-	8.38	-	55.54
28	Firstsource Solutions UK Limited, £	2015-16	INR	27.06	242.52	622.90	622.90	-	1,034.41	94.12	20.22	73.90	-	55.54
29	MedAssist Holding, LLC \$	2015-16	INR	-	-	-	-	-	-	-	-	-	-	55.54
30	Firstsource Solutions USA LLC \$*	2015-16	INR	76.40	1,921.96	20,093.77	20,093.77	-	545.83	17.15	-	17.15	-	55.54
31	Firstsource Transaction Services, LLC \$	2015-16	INR	-	138.82	166.00	166.00	-	615.38	35.51	-	35.51	-	55.54
32	Firstsource BPO Ireland Ltd. EUR	2015-16	INR	-	27.56	27.76	27.76	-	3.77	1.95	0.39	1.56	-	55.54
33	Firstsource-Dialog Solutions (Private) Limited, LKR	2015-16	INR	4.74	2.84	9.00	9.00	-	22.32	1.59	-	1.59	-	41.10
34	Firstsource Solution S.A ARS	2015-16	INR	-	-	-	-	-	-	-	-	-	-	55.53
35	One Advantage LLC \$	2015-16	INR	-	16.36	22.41	22.41	-	86.26	16.20	-	16.20	-	55.54

**Notes :**

- \$ Converted to Indian Rupees at the Exchange Rate, 1 USD = INR 66.25
- £ Converted to Indian Rupees at the Exchange Rate, 1 GBP = INR 95.47
- € Converted to Indian Rupees at the Exchange Rate, 1 EUR = INR 75.39
- Converted to Indian Rupees at the Exchange Rate, 1 LKR = INR 0.4444

# Subsidiaries yet to commence operation\*.

For and on behalf of the Board of Directors

Chairman      Sanjiv Goenka  
Managing Director      Aniruddha Basu

Rajarshi Banerjee  
Executive Director & CFO

Subhasis Mitra  
Company Secretary

Kolkata, 19 May 2016

## 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 Venture	Mahuagarhi Coal Company Private Limited
Latest audited Balance Sheet Date	31 March, 2016
Shares of Joint Venture held by the Company on the year end	2429800
Amount of Investment in Joint Venture	2.43 Crore*
Extent of Holding %	50%
Description of how there is significant influence	By way of Shareholding
Networth attributable to shareholding as per latest audited Balance Sheet	(0.92) Crore
Profit / Loss for the year	
(i) Considered in Consolidation	–
(ii) Not Considered in Consolidation	Nil

\* Fully provided for

For and on behalf of the Board of Directors

Chairman     Sanjiv Goenka  
 Managing Director     Aniruddha Basu

Kolkata, 19 May 2016

Subhasis Mitra  
 Company Secretary

Rajarshi Banerjee  
 Executive Director & CFO

## List of CESC 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*  
2204 0754

*For non-resident shareholders*  
(91) (033)2204 0663  
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](mailto:secretarial@rp-sg.in)

Website: [www.cesc.co.in](http://www.cesc.co.in)

