

## 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  
 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  
 HDFC Bank Limited  
 ICICI Bank Limited  
 IDBI Bank Limited  
 Indian Overseas 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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## Dear Shareholder,

It is a bit over two years since my father, Shri Rama Prasad Goenka, passed away on 14 April 2013. Like sons who adore their fathers, I think of him all the while - of what he taught me in terms of basic human values and how he systematically and often daringly created a business conglomerate, a part of which I am honoured to lead.

While remembering RPG, my memories often go back to the legacy of the family and its long and deep connections with Kolkata and West Bengal. My forefathers came to this region in the early 19th century to do trade and commerce in a city that was then Calcutta, the capital of British India.

The business started five generations before the advent of RPG when Ramdutt Goenka became the main Indian trading partner (the post was called banian those days) of two large British managing agencies, Kettlewell Bullen and Ralli Brothers. Soon a trading firm was set up called Ramdutt Ramkissendas, named after the founder and his son, that dealt with various commodities of which the most important were raw jute, gunny bags, hessian cloth and tea. By the early 20th century, Ramdutt Ramkissendas was among the three largest Indian trading firms of the region and was closely associated with several of the major managing agencies of the time.

RPG's grandfather, Sir Badridas Goenka (1883-1973), whom I remember fondly, was a leading light of the community. Probably the first Marwari to graduate from Presidency College, he not only ran the family firm but was also the first Indian chairman of the Imperial Bank of India and subsequently the State Bank of India.

Sir Badridas' son, Shri Keshav Prasad (K.P.) Goenka made the decisive shift from trade and commerce to industry. Soon after India's independence, he acquired two major British managing agencies, Duncan Brothers and Octavius Steel, and expanded the business to other areas.

Then came RPG, another student of Presidency College, who dramatically expanded the business across several activities ranging from tyres, carbon black, cables, retail, plantations, pharmaceuticals and life sciences to the business of generating and distributing electricity by the acquisition of your Company, CESC Limited.

I share these facts with you to emphasise two things. The first is to underscore a distinct historical context to the tag line of the RP-Sanjiv Goenka Group, 'Growing Legacies'. We are fortunate in terms of our business legacies; and we are resolute in growing these through best-in-class practices that expand the frontiers while increasing shareholder value.

The second is to emphasise our long standing association and commitment to West Bengal and to Kolkata. At a time when many businesses left the state and region, we remained firm in our resolve to be a core player in eastern India and to run enterprises that Kolkata would remain proud of. In our long standing commitment to CESC, I hope that we are doing just that. And proving, in the process, that the seventh generation of the family is as faithful to the city and the region as was Ramdutt Goenka in 1820. Ours is an unbroken business presence of 195 years. May it continue to the next generation as well.

Now for some more prosaic, though no less important, matters. Your Company's power sector operations involve generation and distribution of electricity to customers across its licensed areas in Kolkata and Howrah. Thermal power needs coal. CESC was fortunate in having its coal requirements being met from the Sarisatoli coal mine, which was allocated to us by Ministry of Coal in 1996. As you may be aware, this allocation was cancelled by the Supreme Court along with all other coal blocks allocated by the Government since 1993. Thankfully, the judgement allowed CESC to source coal from the mine up to 31 March 2015.

I am happy to inform you that your Company has again secured the Sarisatoli mine through an e-auction conducted by Ministry of Coal. The mine started production on 10 April 2015, and there were no disruption in the supply of coal.

I am also pleased to share with you the fact that your Company, through its subsidiary, commissioned and started commercial operations of its 600 MW thermal power plant in Haldia, West Bengal - yet another commitment of the group to the state.

The financial results have been satisfactory.


- Total income of CESC as a standalone entity increased by 12% to ₹ 6,274 crore in 2014-15.
- Despite a 14% increase in overall operating expenses - mainly due to higher power purchase costs - your Company's earnings before interest, depreciation and taxes (EBIDTA) grew by 7% over last year to ₹ 1,634 crore in 2014-15.
- Profit after taxes (PAT) for 2014-15 was ₹ 698 crore, which was 7% higher compared to the previous year. The earnings per share was also higher at ₹ 54.51.

Let me end with a hypothesis worth considering. For too long, West Bengal has been looked down upon as an under-performing state and Kolkata as a sclerotic city. Whatever might have been the causes of such past perceptions, I am convinced that we are in the beginning of a period that will soon witness accelerated economic growth of West Bengal and, with it, an urban rejuvenation of Kolkata and its suburbs. There are serious comparative advantages of the state and the city. As the eastern region picks up, which it is doing already, and as we build stronger ties with Bangladesh, Myanmar and South East Asia, West Bengal and Kolkata will again secure their deserved place in the sun.

When that happens, you can be sure that the RP-Sanjiv Goenka Group will be there. Because we belong to this region and the city, as we have for almost two centuries.

My thanks to you for your long and continued support.

With best regards,

Yours sincerely,  


Sanjiv Goenka  
Chairman

21 May, 2015

# 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-seventh Annual General Meeting of the Members of CESC Limited will be held at CITY CENTRE, Royal Bengal Room, DC Block, Sector-1, Salt Lake, Kolkata - 700 064, on Friday, 31 July 2015 at 10.30 AM for the following purposes :

1. To receive, consider and adopt the audited financial statements for the year ended 31 March 2015, 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 declare Dividend.
3. To appoint a Director in place of Mr. Aniruddha Basu (Director Identification Number 06593527) 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 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 AN ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder, Mr. Kalaikuruchi Jairaj (Director Identification Number 01875126) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1 August 2014 and who holds office upto the date of the forthcoming Annual General Meeting be and is hereby appointed a Director of the Company with immediate effect and be also appointed as an Independent Director, not liable to retire by rotation, for a period of five consecutive years with effect from 1 August 2014."

#### 6. AS AN ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions of the Companies

Act, 2013 ('the Act') and the Rules made thereunder, Mr. Pratip Chaudhuri (Director Identification Number 00915201) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1 October 2014 and who holds office upto the date of the forthcoming Annual General Meeting be and is hereby appointed a Director of the Company with immediate effect and be also appointed as an Independent Director, not liable to retire by rotation, for a period of five consecutive years with effect from 1 October 2014."

#### 7. 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 consent of the Company be and is hereby accorded to the Board of Directors ("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) Citibank NA (CITI) for a term loan of ₹ 137.50 crores;
- (b) ICICI Bank Limited (ICICI) for two term loans aggregating ₹ 500 crores;
- (c) Punjab & Sind Bank (PSB) for a term loan of ₹ 145 crore;
- (d) Union Bank of India (UBOI) for a term loan of ₹ 175 crore;
- (e) AXIS Bank Limited (ABL), Bank of Baroda (BoB), CITI, IDBI Bank Limited (IDBI), Punjab National Bank (PNB), Standard Chartered Bank (SCB), and State Bank of India (SBI) for their incremental share of ₹ 50 crore, ₹ 60 crore, ₹ 25 crore, ₹ 85 crore, ₹ 50 crore, ₹ 30 crore and ₹ 92 crore respectively in the working capital facility extended to the Company by a consortium of working capital bankers

to secure the said term loans and working capital facility together with interest, charges, expenses, front-end fees and all other monies payable by the Company to CITI, ICICI, PSB and UBOI (collectively referred to as "the Term Lenders") and ABL, BoB, CITI, IDBI, PNB, SCB and SBI (collectively referred to as "the Working Capital Bankers") 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 the Working Capital Bankers so that the mortgage and / or charge may be created by the Company over and in respect of its properties in their favour, either singly or collectively, in such form and subject to such prior

charges or with such pari passu or subservient ranking of charges as may be decided by the Board in consultation with one or more of the said Term Lenders and Working Capital Bankers, and

- (f) ICICI for a Performance and Financial Bank Guarantee of upto ₹ 170 crore to be secured by a charge over immovable and moveable fixed assets of the Company pertaining to Sarisatoli coal block near Asansol in the State of West Bengal, India in respect of which the Company has entered into a Coal Mine Development and Production Agreement with the Central Government on 2 March 2015.

FURTHER RESOLVED THAT the Board be and is hereby authorized to finalise and execute with all or any of the Term Lenders, Working Capital Bankers and in respect of the aforesaid Performance and Financial Guarantee 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."

#### 8. AS AN ORDINARY RESOLUTION

RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Article 91 of the Articles of Association of the Company and Clause 49 (II)(c) of the Listing Agreements with the Stock Exchanges and subject to such permissions, sanctions and approvals, if necessary, consent of the Company be and is hereby accorded for payment of commission to the Directors who are neither in the whole time employment of the Company nor its managing director at a rate not exceeding three per cent of the net profits of the Company computed in the manner stated in Section 198 read with Section 197(1) of the Act subject to the total managerial remuneration not exceeding eleven per cent of the net profits for the relevant financial year commencing from the financial year 2014-15 to be distributed amongst the said Directors in such manner as the Board of Directors of the Company ("the Board") and / or Nomination & Remuneration Committee constituted by the Board may from time to time determine AND THAT the said commission be paid in addition to the fee payable to the aforesaid Directors for attending the meetings of the Board or any Committee thereof.

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

#### 9. AS AN ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") consent of the Company be and is hereby accorded to the increase in the remuneration payable to Mr. A. Basu, Managing Director of the Company, for the period from 1 April

2015 till the expiry of his present tenure of office i.e. upto 27 May 2018, other terms and conditions of his present appointment remaining unchanged AND THAT the Board of Directors of the Company be and is hereby authorized to issue to Mr. A. Basu a supplemental letter in terms of the draft placed before the meeting and initialed by the Chairman for the purpose of identification setting out therein the revised terms governing the increase in Mr. A. Basu's remuneration as aforesaid".

#### 10. AS AN ORDINARY RESOLUTION

"RESOLVED THAT the remuneration of ₹ 5,50,000 of M/s. Shome & Banerjee, Cost Accountants, as Cost Auditors of the Company for the financial year ending 31 March 2016, 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".

The Register of Members of the Company will remain closed from 24 July 2015 to 31 July 2015, both days inclusive.

By Order of the Board

Kolkata, 21 May 2015

Subhasis Mitra  
Company Secretary

#### NOTES :

1. 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.
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business under items 5 to 10 of the Notice is annexed hereto.
3. If dividend as recommended by the Board of Directors is declared at the Meeting, it will be payable from 4 August 2015 to those shareholders whose names appear on the Company's Register of Members, or, who are notified as beneficiaries by the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited at the close of business on 23 July 2015.
4. Members holding shares in physical form may inform the Company of necessary particulars (including the 9 digit MICR code number) for NECS credit of the dividend directly to their

bank accounts wherever NECS facility is available, or, for printing of their bank account details on the dividend warrants to prevent possibilities of fraud in encashing the warrants. For this purpose, members are requested to fill in the form appended to the Attendance Slip sent with the Report and Accounts for 2014 - 15 and send the filled in Form to the Secretarial Department of the Company or to the Registrar & Share Transfer Agents, Link Intime India Private Limited, 59C Chowringhee Road, 3rd Floor, Kolkata - 700 020 Email : [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in) latest by 23 July 2015. In respect of the shareholdings in demat form, any change in the Bank particulars should be intimated to the Depository Participants (DP) immediately so that the changed particulars may be used for dividend payment. Any change in the particulars of shareholder's holding in electronic form is to be notified to the DP only and not to the Company.

5. 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)
6. 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 2008 will be transferred to IEPF on or before 30 August 2015. All equity shares of the Company in respect of which dividend has not been paid or claimed for seven consecutive years or more are also required to be transferred by the Company to IEPF. Claims for payment of such dividend should, therefore, be lodged with the Company immediately.
7. Voting through electronic means :
  1. (A) The Company will provide to its members the facility to vote on the resolutions proposed to be considered at the Thirty-seventh 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 and the members attending the Meeting who have not already cast their vote from a place other than the venue of the AGM by using the said electronic voting system (such voting hereinafter referred to as "remote e-voting") shall be able to exercise their voting right at the Meeting.
  - (C) The members who 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.

2. The process and manner for remote e-voting are as under:
  - A. In case a member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company / Depository Participant(s)] :
    - i) Open e-mail and open PDF file viz., "CESC e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and password / PIN for e-voting. Please note that the password is an initial password.
    - 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 to take utmost care to keep your password confidential.
    - vi) Home page of e-voting opens. Click on e-voting Cycles.
    - vii) Select "EVEN" 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 (E Voting Event Number) USER ID  
 PASSWORD / PIN
- ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to caste vote.
  - I. 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)  
 The Compliance Officer of the Company shall address investors' grievances relating to voting by electronic means and may be contacted at [secretarial@rp-sg.in](mailto:secretarial@rp-sg.in) or at the Registered Office of the Company.
  - II. 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.
  - III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending the future communication(s).
  - IV. The remote e-voting period commences on 28 July 2015 (at 9.00 am) and ends on 30 July 2015 (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 24 July 2015, 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.
  - V. The voting rights of shareholders shall be in proportion to their shares on the paid up equity share capital of the Company as on the cut-off date of 24 July 2015.
  - VI. Mr. Anil Murarka, Practicising 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.
  - VII. 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.

VIII. 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 DIRECTORS WHO ARE PROPOSED TO BE REAPPOINTED / APPOINTED AT THE MEETING ARE GIVEN BELOW :**

MR. ANIRUDDHA BASU, 55 years of age, is the Managing Director of CESC Limited.

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

Mr. Basu is a member of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Board of the Company. He holds 110 equity shares of the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

MR. KALAIKURUCHI JAIRAJ, 63 years of age is a member of the 1976 batch of the Indian Administrative Service (IAS), and has retired in 2012 as Additional Chief Secretary to the Government of Karnataka. He has held distinguished appointments in the infrastructure, energy, transport and urban development sectors. Mr. Jairaj was a key member of the team establishing the Bangalore International Airport Limited and served with the World Bank, Washington D.C. USA as senior management specialist in the Africa region between 2004 and 2006. Mr. Jairaj is also associated with several educational and not for profit institutions.

Mr. Jairaj is an Independent Director of Manipal Green Tech India Private Limited, Neo Foods Private Limited and Royal Orchid Hotels Limited (also member of its Audit Committee and Nomination and Remuneration Committee). He does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

MR PRATIP CHAUDHURI, 61 years of age, is a former Chairman of State Bank of India (SBI), having held several important posts in the Bank during his long tenure of service including the post of Deputy Managing Director of SBI's International Division. Mr. Chaudhuri has vast experience in the banking sector. He is a director of Visa Steel Limited, Alchemist Asset Reconstruction Company Limited, Cosmo Films Limited, CESC Infrastructure Limited and Sundaram Asset Management Company Limited.

He is a member of Risk Management Committee of the Board of the Company. He does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE THIRTY-SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 31 JULY 2015**

**Item Nos. 5 and 6**

Mr. Kalai kuruchi Jairaj (Mr. Jairaj) and Mr. Pratip Chaudhuri (Mr. Chaudhuri) were appointed by the Board of Directors ('the Board') as Additional Directors of the Company with effect from 1 August and 1 October 2014 respectively pursuant to the provisions of Section 161 of the Companies Act, 2013 ('the Act'), read with Article 104 of the Articles of Association of the Company.

Mr. Jairaj and Mr. Chaudhuri will hold office as Additional Directors up to the date of forthcoming Annual General Meeting ("AGM") as per the aforesaid provisions. The Company has received Notices in writing from Members along with the requisite deposit of money proposing the candidatures of Mr. Jairaj and Mr. Chaudhuri for the office of Directors under the provisions of Section 160 of the Act.

The Company has received from Mr. Jairaj and Mr. Chaudhuri requisite consents, and declarations in connection with their appointment as Independent Directors.

In the opinion of the Board, Mr. Jairaj and Mr. Chaudhuri fulfil the conditions specified in the Act and the Rules made thereunder for being appointed as Independent Directors and they are independent of the management of the Company.

The Resolutions set out under items 5 and 6 of the Notice seek the approval of the Members for the appointment of Mr. Jairaj and Mr. Chaudhuri as Independent Directors of the Company for a period of five consecutive years from 1 August and 1 October 2014 respectively pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder.

A copy each of the letters of appointment of Mr. Jairaj and Mr. Chaudhuri as Independent Directors of the Company setting out the terms and conditions is available for inspection by the Members at the Company's Registered Office during normal business hours on working days upto the date of the Annual General Meeting and will also be available at the venue of the Meeting.

Mr. Jairaj and Mr. Chaudhuri may be deemed to be concerned or

interested in the respective Resolutions relating to their respective appointments. None of the other Directors, key managerial personnel or their relatives has any concern or interest in the said Resolutions.

The Board recommends the Resolutions set out under Item Nos. 5 and 6 of the Notice for approval of the Members.

**Item No. 7**

In order to finance a part of its capital expenditure requirements as well as to refinance certain costlier loans, the Company has availed of financial assistance from CITIBANK N.A. (CITI) - a term loan of ₹ 137.50 crore, ICICI Bank Limited (ICICI) - two term loans aggregating ₹ 500 crore, Punjab & Sind Bank (PSB) - a term loan of ₹ 145 crore, and Union Bank of India (UBOI) - a term loan of ₹ 175 crore (CITI, ICICI, PSB and UBOI, are hereinafter collectively referred to as 'the said Term Lenders').

In addition, AXIS Bank Limited (ABL), Bank of Baroda (BoB), CITI, IDBI Bank Limited (IDBI), Punjab National Bank (PNB), Standard Chartered Bank (SCB) and State Bank of India (SBI) have sanctioned incremental working capital facility of ₹ 50 crore, ₹ 60 crore, ₹ 25 crore, ₹ 85 crore, ₹ 50 crore, ₹ 30 crore and ₹ 92 crore respectively to the Company (ABL, BoB, CITI, IDBI, PNB, SCB and SBI are hereinafter collectively referred to as 'the Working Capital Bankers').

Further, ICICI has sanctioned a Performance and Financial Bank Guarantee of upto ₹ 170 crore for discharge of certain obligations under the Coal Mine Development & Production Agreement executed by the Company with the Government of India in connection with acquisition of Sarisatoli coal block near Asansol in the State of West Bengal, India to be secured by a first charge over immoveable and moveable fixed assets of the said coal block. The coal mined from the said block caters to a part of the requirements of the power generating stations of the Company.

The above loans and the working capital facility and the Financial and Performance Guarantee, as per their respective terms of sanction, are required to be secured by mortgage / charge over the Company's immovable and movable properties in the form and manner required by the said Term Lenders, the Working Capital Bankers and ICICI as the said guarantor.

The Special Resolution set out under Item No. 7 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. 8**

In terms of the provisions of Section 197 of the Companies Act, 2013, ("the Act"), the Company may pay commission to the Directors who

are neither in the whole time employment of the Company nor its Managing or Wholetime Director at a rate not exceeding 3% of the net profits of the Company computed in the manner stated in Section 198(1) of the Act.

Article 91 of the Articles of Association of the Company also authorizes such payment of commission.

In view of the significant growth and diversification in the Company's business across India and increasing role of the Board of Directors ("the Board") in guiding the operations of the Company in the existing and new areas, it is proposed to pay commission to the non Executive Directors of the Company at an increased rate not exceeding 3% of its net profit each year, commencing from the financial year 2014-15. The total managerial remuneration will not exceed 11% of the net profits of the Company for the relevant year. The said commission will be distributed amongst the said directors in such a manner as the Board and / or the Nomination & Remuneration Committee constituted by the Board may from time to time determine. The Resolution set out under Item No. 8 of the Notice may be considered accordingly.

The said net profit shall be computed in the manner laid down in Section 198 of the Act except that directors' remuneration shall not be deducted from the gross profits.

Save and except Mr. A. Basu, Managing Director, other key managerial personnel of the Company or their relatives, all other Directors of the Company may be deemed to be concerned or interested in the Resolution to the extent of the commission that each of them may receive in future.

#### **Item No. 9**

Mr. A. Basu was appointed as the Managing Director of the Company for the period from 1 August 2013 till 27 May 2018 on the terms and conditions approved by the members at the Thirty-fifth Annual General Meeting held on 26 July 2013. The said terms include, inter alia Salary, Variable Pay, Residential accommodation or House Rent Allowance in lieu thereof and entitlement to the usual perquisites/benefits like gas, electricity, water and furnishing, medical expenses reimbursement, leave travel concession for self and family, club memberships, personal accident insurance and provision of furniture and equipment at the residence and other applicable benefits and allowances in accordance with the rules of the Company.

After considering Mr. Basu's responsibilities and the comparable remuneration structure prevailing in the industry, the Nomination & Remuneration Committee of the Board ("the Committee") has recommended the following increase in the limits of the remuneration of Mr. Basu from 1 April 2015 till the end of his present tenure of office i.e. 27 May 2018 :

Salary : From the current level of ₹ 2,75,000 per month to a maximum of ₹ 6,00,000 per month with such annual increment effective 1 July every year as may be decided by the Committee from time to time.

Variable Pay : From the current level of ₹ 48,00,000 to an annual sum not exceeding ₹ 75,00,000 as may be decided by the Committee.

Usual benefits / perquisites as aforesaid : From ₹ 55,00,000 to a sum not exceeding ₹ 1,50,00,000 per annum as may be decided by the Committee from time to time.

The other terms and conditions of Mr. Basu's appointment would remain unchanged. The resolution set out in Item No. 9 of the Notice has to be considered accordingly and the Board recommends that the same be passed.

The draft of the supplemental letter referred to in the Notice may be inspected by any member at the Registered Office of the Company on any working day prior to the date of the meeting between the hours of 10 am and 12 noon and will also be available for inspection from 9.30 am at the place and on the date of the Annual General Meeting.

Mr. Basu may be deemed to be interested in the Resolution and no other Director of the Company, key managerial personnel or their relatives has any interest therein.

#### **Item No. 10**

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 2016.

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. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2016.

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

The Board recommends that the Resolution be passed.

By Order of the Board

Subhasis Mitra  
Kolkata, 21 May 2015

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 2015.

## Financial Results

	(₹ crore)	
Particulars	2014-15	2013-14
Revenue from operations	6188.80	5509.88
Other Income	84.80	99.66
<b>Total Income</b>	<b>6273.60</b>	<b>5609.54</b>
Profit Before Depreciation & Taxation	1225.79	1163.48
Depreciation	(343.07)	(338.59)
Taxation	(185.00)	(173.00)
<b>Profit before transfer to Reserves</b>	<b>697.72</b>	<b>651.89</b>
<b>Profit brought forward from previous year</b>	<b>225.64</b>	<b>228.32</b>
Reserve for unforeseen exigencies	(16.27)	(37.63)
General Reserve	(520.00)	(500.00)
Proposed Dividend @ ₹ 9 per		
Equity Share & tax thereon	(143.59)	(116.94)
Leaving a balance carried forward	<b>243.50</b>	<b>225.64</b>

## Performance Overview

During the year under review, the Company's revenue from operations increased by 12.32 % over last year to reach ₹ 6188.80 crore. Including other income, total income grew by 11.84 % from ₹ 5609.54 crore in 2013-14 to ₹ 6273.60 crore in 2014-15. Profit before depreciation and taxation (PBDT) grew by 5.36% to ₹ 1225.79 crore during the year. After providing for depreciation of ₹ 343.07 crore and taxation of ₹ 185 crore, the profit after taxes (PAT) for 2014-15 stands at ₹ 697.72 crore, which reflects a 7.03% increase over ₹ 651.89 crore during 2013-14.

A detailed review of the operations for the year ended 31 March 2015 is given in the Management Discussion & Analysis, which forms a part of this Report.

## Share Capital

During the year under review, 76,21,118 equity shares were allotted to Qualified Institutional Buyers in accordance with the provisions of the Companies Act, 2013 ("the Act") and Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, for cash at a premium of ₹ 634 per equity share.

## Dividend

The Board is pleased to recommend payment of equity dividend for the year ended 31 March 2015 at the rate of ₹ 9 per share on the paid-up equity share capital as on that date (₹ 8 per share in 2013-14). The dividend is proposed to be paid to those shareholders whose

names appear in the Register of Members of the Company, or appear as beneficial owners as per particulars furnished by the Depositories at the close of business on 23 July 2015. No tax on the said dividend will be payable by the shareholders - as required, the Company will pay appropriate tax thereon.

## Coal Block Allocation

While disposing off a public interest litigation filed before the Honourable Supreme Court of India, the Honourable Court by its judgment dated 25 August, 2014 and by a subsequent order dated 24 September, 2014, had cancelled the allocations of 204 coal mines in various parts of the country, made through the screening committee route followed by the Government of India ("the Government") since 1993.

Sarisatoli coal block was allocated by the Government of India in 1996 and has been catering to almost 50% of the coal requirements of the Company's generating stations. The said block was also among the coal blocks allocation of which was cancelled by the Honourable Apex Court by the said judgement and order.

An Ordinance was subsequently promulgated by the Government dealing with various matters relating to the said de-allocation and public auction of the deallocated coal mines. The Company has made necessary payment and duly complied with all other conditions of the said Ordinance.

Some of the cancelled coal blocks selected by the Government were subsequently put up for public auction. The Company put in its bids for five of such coal blocks and emerged winner for the Sarisatoli block. Accordingly, there was no disruption in the coal mining activity and the coal supply to the Company's generating stations continued as before.

## Subsidiaries

As on 31 March 2015, CESC had thirty-three subsidiaries. Crescent Power Limited, Sheesham Commercial Private Limited, Water Hyacinth Commosale Private Limited and, Wigeon Commotrade Private Limited became subsidiaries of the Company during the year. Broad details of operations of these subsidiaries are given in the section 'New Projects and Initiatives' and the section 'Other Businesses' in the Management Discussion & Analysis, which forms a part of this report.

In accordance with the provisions of Section 129 (3) of the Act the Company has prepared a consolidated financial statement of the Company and of all the subsidiaries in the form and manner as that of its own, duly audited by Messrs. Lovelock & Lewes, the auditors, in compliance with the applicable accounting standards and the listing agreements with the Stock Exchanges. The consolidated financial statements for the year 2014-15 form a part of the annual report and accounts and shall be laid before the Annual General Meeting of the Company while laying its financial statements under sub-section (2) of the said section. A separate statement containing the salient features of the financial statements of its subsidiaries is attached.

CESC is concerned about the environment and takes various steps for its protection. In line with the decision of the Ministry of Corporate Affairs, Government of India, the Report and Accounts and other communication from the Company are sent to the shareholders by e-mail, wherever such addresses are registered with the Company.

### Projects

Both the units of the 600 MW thermal power project at Haldia in West Bengal and Unit 2 of the 600 MW project at Chandrapur in Maharashtra have been commissioned during the year under review. A 26 MW wind power project at Surendranagar in Gujarat was commissioned in December 2014.

Details of the Company's projects have been provided in the relevant sections of the Management Discussion & Analysis, which forms apart of this report.

### Directors

Mr. S.N. Menon resigned as a Director of the Company with effect from 16 January, 2015 due to personal reasons.

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

Mr. Kalaikuruchi Jairaj and Mr. Pratip Chaudhuri who were appointed by the Board as Additional Directors from 1 August, 2014 and 1 October, 2014 respectively shall hold office as such up to the date of the forthcoming Annual General Meeting. The Company has received notices in writing from two members along with the requisite deposits of money proposing the candidature of Mr. Jairaj and Mr. Chaudhuri to the office of Directors under the applicable provisions of the Act. Mr. Jairaj and Mr. Chaudhuri are proposed to be appointed as Independent Directors for a period of 5 years from 1 August, 2014 and 1 October, 2014 respectively.

Necessary resolutions for obtaining approval of the Members in respect of the above appointments have been incorporated in the notice of the forthcoming Annual General Meeting.

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

### Listing

The equity shares of the Company continue to be listed at the Bombay Stock Exchange (BSE), the National Stock Exchange (NSE) and the Calcutta Stock Exchange (CSE). The Company has paid the requisite listing fee to the Stock Exchanges up to the financial year 2015 -16.

### 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, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

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

### Corporate Governance

A report on Management Discussion and Analysis is attached herewith (Annexure 'A'). A separate Report on Corporate Governance (Annexure 'B') along with Additional Shareholder Information (Annexure 'C') as prescribed under the Listing Agreement executed with the Stock Exchanges, 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 are annexed as a part of this Report. A detailed section on the activities of the Company in this behalf during the year is disclosed in Annexure 'D', which forms a part of this report.

### Whistle Blower Policy

Pursuant to Section 177 of the Act, the rules made thereunder and the Listing Agreement with the Stock Exchanges, the Company has established a Whistle Blower Policy (Vigil Mechanism) for directors, employees and stakeholders for reporting genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. The details of establishment of such mechanism have been disclosed in the Company's website [www.cesc.co.in](http://www.cesc.co.in)

### Related Party Transactions

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 transaction with the Company's Promoters, Directors, Management or their relatives that could have 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 loans given, investments made or guarantees given or securities provided and the purpose thereof 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. All unpaid/unclaimed amounts lying with the Company have duly been transferred to Investor Education and Protection Fund.

#### **Auditors**

Messrs. Lovelock & Lewes, Chartered Accountants, Statutory Auditors of the Company, were re-appointed 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 to be held in 2017 subject to ratification by the members at the Thirty-seventh and Thirty-eighth AGM of the Company. Accordingly, the notice convening the ensuing Thirty-seventh 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 AGM would be in accordance with 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**

The information as required in accordance with Section 134 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is set out in an annexure to this Report. However, 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 Annual General Meeting.

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

Details pertaining to remuneration as required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed forming a part of this Report (Annexure 'H').

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, banks, 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

Sanjiv Goenka  
Chairman

Kolkata, 21 May 2015

## 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 2.9 million customers - to both consumer households and commercial establishments.

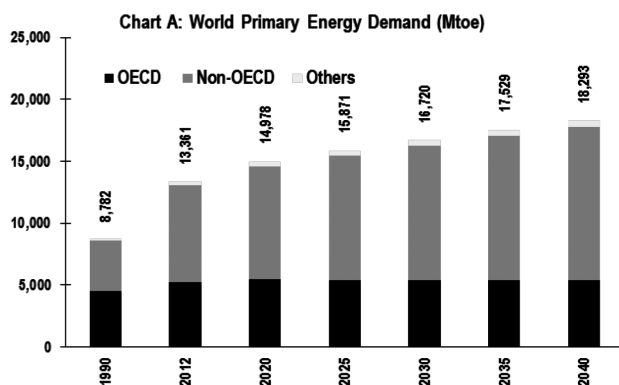
Apart from spearheading the Group's interest in the power sector, the Company, through its subsidiaries, is also active in the organised retail, business process management and infrastructure sectors as a part of its strategy for diversification and long-term growth.

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 structural changes in the global energy scenario in the last few years are now having a major impact on the demand-supply dynamics. On the supply side, the resurgence in oil and gas production in the US has made it one of the world's largest producers. As far as demand for energy is concerned, emerging economies are expected to drive the global markets.



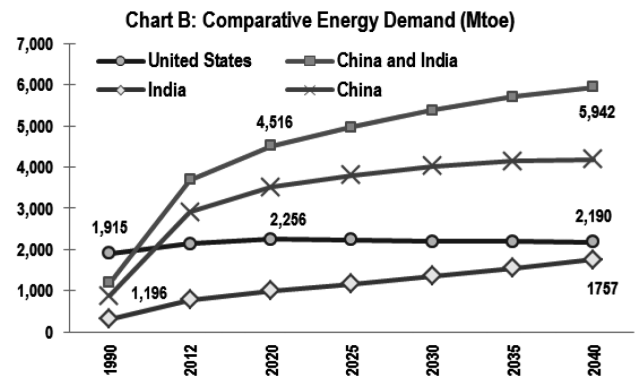
Source : New Policies Scenario, World Energy Outlook 2014, IEA

According to the World Energy Outlook 2014, world primary energy demand under the 'New Policies Scenario'<sup>1</sup> will grow by around 4,932 million tonnes of oil equivalent (Mtoe) between 2012 and 2040 - a CAGR of 1.1% (Chart A). As expected, the demand in non-OECD countries will grow much faster, and will account for 93.5% of this increase in energy demand.

More important, over 45% of this increase will come from China and India, as they witness a surge in energy demand during this period

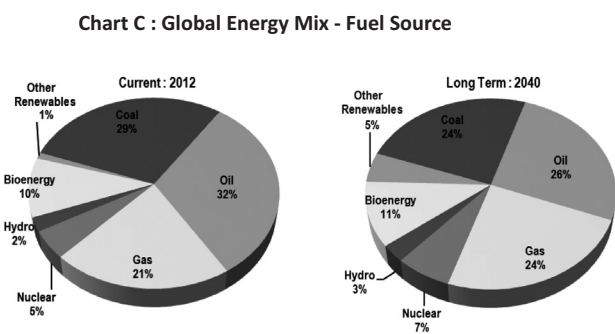
<sup>1</sup>The 'New Policies Scenario' estimates take into account broad policy commitments and plans that have been announced by countries around the world to cut down on emissions, even if they are yet to be formally adopted and implemented.

from 3,697 Mtoe in 2012 to 5,942 Mtoe in 2040 (Chart B). As a result, these two countries will account for 32.5% of global energy demand in 2040, up from 13.6% in 1990 and 27.7% in 2012. This will make China, US and India the top three consumers of energy in the world by 2040, with a share of 23%, 12% and 10% respectively.



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

Fossil fuels - coal, oil and gas - are the dominant sources of energy, meeting around 81.7% of energy demand (Chart C). As far as the long-term trends in fuel sources are concerned, as nuclear faces an uncertain future, there have been encouraging improvements in efficiency and in continuous efforts to innovate and reduce the cost of emerging energy technologies, such as solar photovoltaics (PV). As shown in Chart C, share of renewable sources is expected to increase-from 13.5% in 2012 to 18.9% in 2040. During the same period, even as the dominance of fossil fuels is expected to continue, its share is estimated to come down to around 74.5%. 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 2012 and 2040.

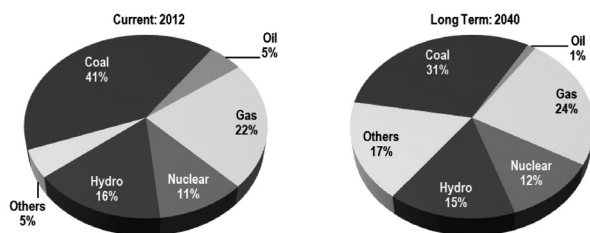


Source : New Policies Scenario, World Energy Outlook 2014, IEA

The power sector accounts for 38.1% of the global energy demand in 2012; and over 53% of the increase in such demand between 2012 and 2040 is expected to come from this sector. Accordingly, capacity addition of 5,033 GW is estimated between 2012 and 2040. OECD countries account for one-third of capacity additions due to retirements and move to decarbonise. Move to renewable sources will also gather steam in other regions, especially with availability of efficient and cost effective technologies. As a result, renewable sources are expected to account for 59% of all capacity additions between 2012 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, even as the dominance of fossil fuels is expected to continue, hydro and other renewable sources (mainly wind, solar, bioenergy and geothermal) combined will account for 32% 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 continues 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, securing supplies of coal and building technology capabilities in the use of renewable sources of energy will continue to dominate the global energy agenda in the future.

### India's Power Scenario

During 2014-15, Indian power sector added 24.6 GW, which was in line with the targets set for the year. The addition of transmission and distribution infrastructure was also satisfactory. With these capacity additions, generation capacity in India stood at 268 GW at the end of the year. Table 1 gives the details.

**Table 1 : Power Generation Capacity in India : 2014-15, By Fuel Source**

Fuel	MW	% Share	Growth (%)
Coal	164,636	61.5%	13.3%
Gas	23,062	8.6%	5.9%
Diesel	1,200	0.4%	0.0%
<b>Thermal</b>	<b>188,898</b>	<b>70.6%</b>	<b>12.3%</b>
Nuclear	5,780	2.2%	20.9%
Hydro	41,267	15.4%	1.8%
Others	31,692	11.8%	7.6%
<b>Total</b>	<b>267,637</b>	<b>100.0%</b>	<b>10.1%</b>

Source : Central Electricity Authority

Given that coal accounts for 61.5% 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. During the year, there were positive developments on this front. First, the uncertainty due to cancellation of 204 coal blocks by the Honourable Supreme Court was resolved after

reallocation of some of the cancelled mines through the e-auction route. Second, domestic production of coal increased, and the Government of India is taking major steps to double the domestic production of coal to 10 billion tonnes by 2020.

Even with recent addition of capacities, the shortfall in generation and transmission capacities is far from over. During 2014-15, the all-India peak demand for power was 148 GW of power, whereas the actual power met was 141 GW - a shortfall of 4.7% (see Table 2).

**Table 2 : Power Demand and Deficit : 2014-15**

Region	Peak Demand (MW)	Peak Met (MW)	Deficit	Deficit %
Northern	51,977	47,642	-4,335	-8.3%
Western	44,166	43,145	-1,021	-2.3%
Southern	39,094	37,047	-2,047	-5.2%
Eastern	17,040	16,932	-108	-0.6%
North-Eastern	2,528	2,202	-326	-12.9%
<b>All India</b>	<b>148,166</b>	<b>141,160</b>	<b>-7,006</b>	<b>-4.7%</b>

Sources : Central Electricity Authority

The north-eastern and northern regions were the worst affected in terms of power availability, followed by the southern region. What is more important to note is that the deficit reflected at the region level is due to exceptionally poor situation in some states. For instance, J&K, UP and Punjab in the Northern region had deficit of 20%, 17% and 13% respectively; Telengana in the Southern region had a deficit of 14%; in the North-Eastern region, Tripura had a deficit of 14% and Assam of 13%.

By 2016-17, demand for power is expected to increase to 1,403 billion units<sup>2</sup> - up from 1,069 billion units<sup>2</sup> in 2013-14. This assumes energy conservation and demand-supply measures, without which demand is expected to be even higher. Accordingly, the Twelfth Five Year Plan (2012-2017) estimates an additional capacity requirement of 88.5 GW, 53% of which is expected to come from the private sector - up from 19% in the Eleventh Five Year Plan. This will also need to be complemented with adequate transmission and distribution capacities.

Although private sector investments in generation has brought about fresh capacities, the industry is facing considerable risks in terms of cost and security of fuel supply as well as high borrowing costs. The sluggishness in demand has made things worse. Part of this is also because several distribution utilities have been making losses, which has resulted in scaling down of their purchases and investments in building T&D infrastructure for the future. To turn things around, there is a need to address these concerns. Also, greater focus needs to be accorded to renewable sources of fuel such as hydro, solar and wind. Currently, only 2,700 MW out of a total solar potential of

<sup>2</sup> Source : Twelfth Plan (2012-2017) Document, Planning Commission

300,000 MW, and 21,000 MW out of a total wind potential is installed. Harnessing this potential is critical to have a balanced portfolio of generation capacities in the longer term.

## POWER BUSINESS

CESC's existing operations in the power sector comprise generation and distribution of electricity to its 2.9 million customers across its licensed areas in Kolkata and Howrah, West Bengal. For its existing operations in Kolkata, the demand for power is quite variable, with the Company registering a peak period demand higher than 2,000 MW and a lean period demand as low as below 450 MW. During peak demand period, in addition to its own generation, CESC also purchases power from the state and national power grid. Conversely, during the lean period, it exports surplus power, when possible.

One of the key achievements of CESC as an integrated power utility has been its ability to provide its customers with reliable and uninterrupted power supply. This has been made possible due to relentless efforts encompassing all aspects of the business - be it generation, demand-supply management or distribution. These are discussed in greater detail in the subsequent sections on 'Generation' and 'Distribution'.

Since 2002, a part of CESC's coal requirement is met from Sarisatoli coal mine near Asansol in West Bengal, allocated by the Ministry of Coal, Government of India in 1994. However, this allocation was cancelled by the Honourable Supreme Court of India along with all other coal blocks allocated by the Government since 1993 through the Screening Committee route. The judgement, nonetheless, allowed CESC to source coal from the Sarisatoli coal mine upto 31 March 2015. We are happy to report that CESC has since secured Sarisatoli coal mine again through an e-auction conducted by Ministry of Coal, which entitled it to use the coal from that mine for power stations of CESC or its subsidiaries, as permitted under the terms of the agreement with the Government. The mine started production on 10 April 2015 after receiving requisite permissions, with no disruption in supply of coal.

During the year, through its subsidiary, the Company commissioned and started commercial operations of its 600 MW thermal project in Haldia, West Bengal. Another 600 MW thermal project in Chandrapur, Maharashtra, has also been commissioned in 2013-14 by another CESC subsidiary. Besides these, the Company has taken several initiatives to build capabilities and expand its presence in the renewable energy sector. During the year, through its subsidiary, the Company commissioned 26 MW of wind power project in Gujarat. 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 used to operate four generating stations : Budge Budge, Southern, Titagarh and New Cossipore, which cumulatively generated 1,225 MW. Subsequent to the cessation of generation at the 65 year old New Cossipore generating station during the year, the cumulative production of CESC's generating stations has come down to 1,125 MW. The remaining three stations (Budge Budge, Southern and Titagarh) 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.

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. The PLF for CESC's power generating stations has been consistently better than the all-India average for thermal plants. CESC's composite PLF of the three PF plants was 86.52% in 2014-15 which is distinctly superior to the national average PLF of 64.5% during 2014-15.

To achieve higher PLF, the Company has taken various steps such as full utilisation of designed limit, benchmarking with best-in-class power plants, integrated operation and maintenance planning. A brief review of plant-wise performance during 2014-15 is given below :

- **Budge Budge** generating station comprises three units of 250 MW each. During 2014-15, Budge Budge generated 5,853 MU (million units) of power, with a PLF of 89.08%. The plant availability factor (PAF) was 94.28%. Budge Budge unit was selected for Bronze Shield for 2014-15 in the category of "Performance of Thermal Power Stations" by Central Electricity Authority (CEA).
- **Southern** generating station comprises two units of 67.5 MW each. During the year, it generated 990 MU of power, with a PLF of 83.73% and a PAF of 96.75%.
- **Titagarh** generating station comprises four units of 60 MW each. During the year, it generated 1684 MU of power, with a PLF of 80.11% and a PAF of 96.25%.
- **New Cossipore** generating station which was established way back in 1949 generated 69 MU with a PAF of 86.28%, has ceased generation with effect from 30 November 2014.

## Availability

During the year, the combined generation for the PF stations was 8,527 MU. The overall combined availability of these stations was 95%. The entire maintenance planning has been structured to reduce: (a) forced outages; and (b) capital overhauling time.

To reduce forced outages, CESC adopts a number of measures. These include (i) detailed analysis of each failure, (ii) taking appropriate corrective actions or process modification to eliminate these in the future, (iii) mean time before failure (MTBF) analysis and benchmarking, (iv) time bound action plans, (v) periodic inspection

schedules for all units, and (vi) adopting integrated condition monitoring of dynamic equipment with sophisticated hardware and software.

To reduce the capital overhauling time, CESC has a 'round the clock maintenance' regime and modular replacement of components. The time saving technique of using a forced air cooling system to cool down the turbine in very short time has also yielded satisfactory results.

### Energy Conservation and Quality

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.

During the year, installation of variable-voltage, variable-frequency (VVVF) controls was completed in all four units at Titagarh and two of the units of Budge Budge Generating Station. Apart from this, several on-going energy conservation measures were undertaken across locations. These included :

- Reduction of losses in compressed air systems and use of energy efficient lighting and equipment such as heaters, motors and measuring instruments.
- Refurbishment of boiler feed pump, condensate extraction pumps and cooling towers.
- Thermo-graphic studies of drains/pipelines of boilers and turbines; and checking of boiler feed pump re-circulation.

At CESC, energy conservation initiatives go beyond the core business activities. In an important development, the 80-year old heritage building, the CESC House, received Gold Certification under the LEED rating system for Existing Buildings from the United States Green Building Council (USGBC), for demonstrating its commitment towards environment sustainability. During the year, CESC House also bagged the first runner-up position under the commercial building category, in the CII-NDTV-Grundfos Mission Energy Challenge. This award recognizes the commitment of the Group and CESC towards energy conservation. Budge Budge unit has been awarded "Excellence in Energy Management 2014" by Confederation of Indian Industry.

All generating stations of CESC are ISO 9001:2008 certified in respect of Quality Management Systems. Various quality projects are undertaken and implemented on a regular basis. During the year, the Company extended the coverage of Kaizen. In 2014-15, 192 improvement projects were implemented under this initiative, of which nine were adjudged as having high impact. Overall, the programme has been a success and has achieved participation of all levels of employees. Winners are awarded on a monthly basis for encouraging the participants and promoting the Kaizen culture.

### Environment Management

At CESC, protection of environment is an integral part of the power

generation process. The Company has laid out an 'Environment Policy' which governs its activities. Apart from ensuring compliance with all applicable legal and regulatory requirements, it has set more stringent in-house standards, and devised new and improved processes to achieve these. It has also adopted state-of-the-art technologies and the performance is closely monitored for assessment and rectification.

All generating stations of CESC are ISO 14001:2004 certified in respect of Environmental Management Systems. The Company continuously explores ways by which pollutants like suspended particulate matter (SPM) emitted from these stations can be reduced and maintained below the prescribed limits. All three stations have attained 'zero effluent discharge' status with 100% recycling of effluents. Two continuous ambient air quality monitoring stations have been installed: one at the Budge Budge generating station and other at Bauria, Howrah.

Ash is another area of environmental concern, more so because of the high ash content in Indian coal. Since 2000, CESC has achieved 100% utilisation of ash in an environment friendly manner. At the generating stations, energy conservation projects are regularly implemented to reduce the coal usage and thus, minimise carbon dioxide emissions. Few such projects have been registered and approved as CDM projects by CDM Executive Board under the UNFCCC. Budge Budge was the first thermal power plant in the world to achieve such distinction.

CESC's environment friendly status has been acknowledged over the years by the Government and leading agencies working in this area. During the year, Budge Budge generating station has been rated best in environment performance by the Centre for Science and Environment, New Delhi. All three generating stations of the Company were recognised at the Annual Greentech Environment Award (2014). Budge Budge unit was selected for Silver shield for the year 2014-15 in the category of "Environment Management Award Scheme for Coal Based Thermal Power Stations" by Central Electricity Authority (CEA).

### Safety and Health

CESC maintains a high standard of industrial safety practices across its generating stations and entire distribution wing. The Company has a Safety Cell with 15 dedicated officers from different functional areas to ensure safe work practices are followed across the organisation. It has a 'Safety Policy' in place and carries out regular safety and occupational health audits through internal safety committees, safety cell and external auditors. The Company has taken an initiative to undergo strategic training programmes from the leadership team down to the level of managers on safety with internationally reputed consultants to imbibe a culture for safety within the organisation and initiate necessary changes in processes, technology and people.

All stations are OSHAS 18001:2007 certified for occupational health, and safety management systems. In addition to adherence to prescribed safety practices, use of personal protective equipment

as well as proper tools and tackles have been made mandatory. Safety days are observed in all major establishments of the Company. Central safety day was organised at Science City Auditorium where more than 1,800 employees across the Company participated. Safety Camps were also organised at 14 major sections /departments spanning for 10 to 15 days where work processes were reviewed in the light of safety considerations. Many other programs are regularly carried out to promote safety awareness among employees. So far, about 50% of our entire workforce have been inducted through safety training, both classroom and on-field with a target to cover all workmen by the end of 2015-16.

The Company ensures that all accidents are fully reported. All such incidents 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. A comprehensive safety compliance level tracking system has been developed, which is thoroughly analysed and necessary corrective/preventive actions are initiated on an ongoing basis.

As a result of these activities, accident rates have reduced substantially over the last few years. During the year, all generating stations received the Greentech Safety Award (2014) in recognition of its safety record and practices. This speaks volumes about adherence to safety standards, and practices followed for maintaining high standard in occupational health and environment.

As a part of the occupational health initiative, CESC conducts health check-up for its employees including employees of contractors engaged in generating stations. The Company operates 30 dispensaries across the organisation with doctors and pharmacists manning these dispensaries. Best-in-class medical facilities including diagnostic clinics for pathological tests are also available to the employees through tie-ups with major super speciality hospitals and nursing homes in the city.

## Distribution

CESC undertakes continuous upgrading of the distribution infrastructure to enhance the quality and security of supply, and to reduce downtime, overloads and distribution losses. During 2014-15, 1.87 lakh meters were installed on account of new supplies and replacements. New investments were made to strengthen the distribution network to cope with the growing system demand coming from new consumers as well as additional demand from existing consumers, as also for 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 demand growth. These have been detailed in Annexure 'F' to the Directors' Report.

CESC expects its peak power demand to increase from around 2,000 MW in 2014-15 to 3,000 MW in 2023-24. The Company has put together a master plan for development of its distribution infrastructure taking into account this long-term demand forecast. This includes :

- New connectivity with STU/CTU for import of power, and augmentation of transformer and substation capacity.
- Induction of gas insulated substations (GIS) at strategic distribution stations to enhance network reliability, continuous upgradation of network and replacement of old equipment.
- A comprehensive study to validate the planned network, development of primary distribution network and bulk power handling corridors, incorporating N-1 contingencies

In recognition of its efforts in the area of distribution, CESC received several recognitions and awards during 2014-15 :

- "CBIP Award for Best Performing Utility in Power Distribution Sector" in recognition of outstanding contribution towards development of the Power Sector in India.
- "Best performing Utility Urban : T&D Urban Discom" at 8<sup>th</sup> ENERTIA Awards 2014 India for Sustainable Energy and Power.
- "Top Infrastructure Company Award" in the power distribution category by Dun & Bradstreet Infra Awards, 2014.

## Energy Conservation

Energy conservation and reduction of losses in the distribution network is a key area of focus for all power utilities. During 2014-15, a number of measures were adopted that contributed to the on-going efforts to reduce ATC losses and increase energy conservation. Apart from the benefits from continuous upgrading of the distribution infrastructure discussed in the previous section, other initiatives include: reactive power compensation, standardisation to higher rated underground cables, regular energy audits, progressive voltage upgradation of distribution lines, energy efficient distribution transformers and inclusion of the energy efficiency metric in bid evaluation criteria for awarding contracts. These have been detailed in Annexure 'F' to the Directors' Report.

## Technology

Use of advanced technology-based systems and solutions has become an on-going process in CESC and has helped it to mitigate damage, significantly reduce downtime and improve reliability of the system network. However, a more important development in recent times has been increase in the use of technology in automation of processes, monitoring of distribution infrastructure and applications in customer service. Major initiatives in this regard during the year were :

- Smart meters, which provide alerts in the event of power failures, were installed at around 150 critical locations. This enables the

Company to restore supply pro-actively even before the consumer lodges a complaint. Smart meters were also introduced for net-metering purpose at customer premises with renewable energy sources such as solar PV cells.

- The coverage of automatic meter reading (AMR) using GPRS technology was increased during the year. Currently, the coverage is 100% for HT and LTCT consumers, and 77% for distribution transformers (DTs).
- The data available from smart meters and AMR enabled meters and DTs are being used for analysis and outage management through IT solutions developed in-house by the Company.
- The US Trade and Development Agency (USTDA) had awarded a grant to CESC to finance a feasibility study for recommending appropriate Smart Grid technologies and pilot projects across the electricity distribution network. This study was carried out during the year and based on the recommendations, it is proposed to prepare a set of request for proposals (RFPs) for a new SCADA system with outage management features, relevant telecommunication packages and a proof of concept trial for enterprise application integration.

### Customer Service

As a utility company that services 2.9 million customers, establishing and maintaining high levels of customer service is the overarching objective of CESC. Built on the principle of customer centricity, these measures have enabled significant improvement in customer satisfaction and paved the way for more significant interventions through deployment of technology and process-based improvements in the area of customer service during the year. The key developments during 2014-15 are discussed below :

- **New Connections :** CESC added around 1.3 lakh customers during 2014-15. The average time taken to provide a new connection came down significantly due to a remarkable reduction in inspection-related delays, which currently happen within 2-3 days. This is followed up by a connection next day upon payment and compliance for 95% of the applications. Online applications for new connections were made simpler by removing the hassle of uploading and downloading of documents. As a result, 16% of applications were received online in 2014-15 as compared to 1.6% in 2013-14.
- **Billing and Payment :** The increase in coverage of Automated Meter Reading (AMR), which was discussed earlier, has significantly improved the efficiency and accuracy of the meter reading and billing processes. The Company was already providing web-based access to billing details and online payment facility through credit/debit cards, net banking, ECS and prepaid vouchers to its customers. During the year, it introduced the online payment facility through RTGS/NEFT, Vodafone m-pesa and Bill Desk. To improve the customer experience, it renovated 15 cash collection offices and introduced 5 Anytime Payment Machines at locations where cash offices are not nearby.

- **Customer Contact :** The Company operates a centralised and fully computerised 24x7 call centre as a primary consumer touch point for complaints and queries. This has resulted in a reduction of around 40% in the footfall at Regional Offices. During the year, it introduced weekly online chat with senior officers of CESC, where the Managing Director participates in the last week of every month. 34 such chat sessions were organized in 2014-15. It also introduced Floor Managers at Regional Offices to manage footfall and provide appropriate guidance to customers.
- **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 LT control room and radio linked service vans at strategic locations to ensure faster restoration. During the year, the Company introduced field force automation, which has resulted in optimisation of manpower and further reduction in restoration time.
- **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 services launched during the year include online mailing address change and non-usage of electricity for LT consumers and daily/monthly consumption status and capacitor bank calculator for HT consumers. Adoption of e-services increased substantially during the year. For instance, 32% of the total name transfer requests were received online as compared to 13% a year ago and 19% of the total AC applications were received online as compared to 5% in 2013-14. For consumers who have registered their phone numbers, e-mail IDs or use smartphones, the Company has a whole host of services.
- **SMS based services :** Intimations on bill generation and delivery, date of meter inspection, meter reading, exchange of meter, registration of E-bill, stoppage of paper bills, recharge of vouchers for prepaid meters, docket number for contact made regarding complaints, receipt of payment and restoration of supply.
- **E-mail based services :** Monthly consumption bill, important information (including booklets and handbooks) related to supply, safety, energy conservation, CESC's new initiatives and greetings on festivals.
- **Mobile Apps based services :** All online services including payment, apply for AC connection, billing and payment information, consumption history and tracking the status of new application. Special application was launched for organisers of Puja Pandals to track the status of temporary connection applied.

Going forward, the focus will be to increase the coverage and penetration of customer centric services introduced by the Company, while at the same time, ensuring that the customers have access to the best technology and services infrastructure in the industry.

## New Projects and Initiatives

### Thermal

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

Unit I was commissioned during the 2013-14 and went into the commercial operation in February 2014, whereas Unit II was commissioned in 2014-15 and went into commercial operation in August 2014. The power evacuation infrastructure is also complete, Unit I is connected with state grid and Unit II with central grid. This will provide the Company flexibility in sale of power to customers from both within and outside the state.

The Company has entered into a PPA for supply of 100 MW power with TANGEDCO and is in the process of tying up balance capacity. During the year, it has also sold power in the short term market. As far as coal sourcing is concerned, it has used a mix of e-auction, import and purchases from trading houses. The Company is also in constant touch with the Ministry of Coal for finalisation of the coal linkage from South Eastern Coalfields Limited. During 2014-15, the Company was awarded with Golden Peacock Award on Environment Management. It is also in advanced stages of implementation of Integrated Management System (ISO 9001, 14001 & OHSAS 18001), which is expected to be completed in 2015-16.

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

Both the units were commissioned and started commercial operation in 2014-15. HEL has executed a long term power purchase agreement with CESC Limited, its ultimate holding company, for selling entire power generated from the project. HEL has also entered into a Fuel Supply Agreement with Mahanadi Coalfields Limited (MCL), a subsidiary of Coal India Limited (CIL) for sourcing coal. The power evacuation arrangement is through 400 kV transmission line to 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 2014-15, the Haldia Project was awarded with 'Coal Power Project of the Year' award from Asian Power in Malaysia.

**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 Sarisatoli operational since July 2009. The power plant is owned by Crescent Power Limited, which became a subsidiary of CESC with effect from 30 March 2015, and operates in the merchant market.

**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, Orissa (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 waiting for coal linkage to be granted by Ministry of Coal, Government of India.

### Hydro

**Papu, Arunachal Pradesh :** CESC acquired Papu Hydropower Project Limited in May 2012, which has a 90 MW hydro project in East Kameng district of Arunachal Pradesh. The pre-feasibility report (PFR) of the project was already complete. The detailed topographic survey and environmental studies were completed during 2014-15. Other project development activities, including receiving clearances from wildlife angle for carrying out Investigations and DPR preparation, are in progress.

**Phangchung, Arunachal Pradesh :** CESC acquired Pachi Hydropower 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 (DFR) have been completed and Techno-economic clearance obtained from IIT Roorkee and State Government. Environmental studies and public hearing also completed. Land acquisition and other pre-construction activities are in progress.

**Jarong, Arunachal Pradesh :** Jarong Hydro Electric Power Company Limited, a SPV of CESC, was allotted 90 MW Jarong Hydroelectric project in West Siang district of Arunachal Pradesh. The Company took up project development activities and completed the DFR in December 2012. After techno-economic appraisal of the project based on DPR, it was found that the project is commercially unviable due to high capacity cost and high tariff. Subsequent to this, the Company has written to the state government for refund of the premium amount.

### 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, which has a 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, was commissioned during 2012-13. The plant is running successfully and has achieved a net capacity utilisation factor comparable to other projects operating in the same area and is profitable from its first full year of operation.

**Surendranagar, Gujarat :** This is the Company's second wind power project. The 26 MW project, undertaken through Surya Vidyut Limited, 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.

### Solar

**Ramnathapuram, Tamil Nadu :** This is the Company's first venture

into solar power. The 15 MW project is being implemented through Crescent Power Limited, a subsidiary of CESC, and is expected to be commissioned during 2015-16. Power from this project will be sold to Tamil Nadu Generation and Distribution Corporation Limited under a long-term energy purchase agreement that was executed in May 2015.

### Distribution Franchisee

**Ranchi, Jharkhand :** CESC was selected in 2013-14 through a process of competitive bidding to take up distribution franchising in Ranchi Circle of Jharkhand State Electricity Board (JSEB). Ranchi Power Distribution Company Limited (RPDCL), a wholly owned subsidiary of CESC, was formed to carry out the operations and a Distribution Franchisee Agreement (DFA) to this effect was executed between RPDCL and JSEB in December 2012. This DFA has been purportedly terminated by Jharkhand Bijli Vitran Nigam Limited, the distribution company formed out of the unbundling of JSEB. The matter has been challenged by the Company in the High Court at Ranchi and at present remains sub-judice.

**Port Harcourt, Nigeria :** CESC had emerged in 2013-14 as a part of the winning consortium for privatisation of a distribution franchisee in Nigeria. CESC's role of providing technical advisory services for design, planning and engineering of the distribution network in the preparatory stage of take-over was completed during the year. The Company has decided not to pursue the long-term option of participating in the distribution business in Nigeria.

## 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 126 stores across India under the Spencer's brand name, including 34 hypermarkets. The stores cater to all family needs - groceries, home and personal care products, apparel and accessories, consumer durables and lifestyle products. During the year 2014-15, it registered a same store sales growth close to 10%, on the back of almost similar sales growth in previous year, with an average revenue per square feet of ₹ 1,350 per month as compared to ₹ 1,305 per month in the previous year. Focus continues to be on growing topline, keeping costs under control and revamping / exiting from non-performing stores. In 2015-16, SRL plans to roll out about 8 to 10 new stores in 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 and 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, the Company is moving closer to achieving an operating breakeven in the 2<sup>nd</sup> half of 2015-16.

- Au Bon Pain Café India Limited (ABPCIL) is a subsidiary of SRL, catering to the retail coffee and fast food segment as the Indian master franchisee of ABP Corporation, USA. During 2014-15, ABPCIL opened seven new cafés across 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 27, with presence in the cities of Bengaluru, Kolkata and Delhi.

### Business Process Management (BPM)

Spent Liq Private Limited, a wholly owned subsidiary of CESC, purchased a majority stake in Firstsource Solutions Limited (FSL) in 2012-13. FSL is in the business of providing Business Process Management (BPM) services in 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 25,080 and supports clients from 47 service facilities spread over United States, United Kingdom, Philippines, India and Sri Lanka. The Company's clients include seven of the Top 10 general-purpose credit card issuers in the US, the largest retail bank and mortgage lender in the UK, one of the top three car insurance companies in the UK, a leading Irish bank, a leading credit card issuer in the UK, a leading private life insurer in India, the largest pay TV operator in the UK, the largest pay TV and leading telecom service provider in Australia, three of the top five mobile service providers in India, a leading European telecom service provider, the largest telecom service provider in the UK, two of the top 10 telecom companies in the US, one of the top five private banks in India, the largest telecom company in Sri Lanka, five of the top 10 Fortune 500 health insurers and managed care companies in the US, and over 700 hospitals in the US.

FSL provides a comprehensive range of services to clients across the customer life cycle in each of its focused industries. The Company 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 2014-15, FSL reported a growth of 0.03% in its revenues to ₹ 932.81 crore. Net profits after tax stood at ₹ 163.75 crore.

### Real Estate

CESC Properties Limited, a subsidiary of CESC, launched Kolkata's first upscale shopping mall, the Quest in November 2013. During 2014-15, Quest completed the first full year of operation. It has been a huge success with about 12 million footfall in the year, with a combined gross sale of around ₹ 450 crore by all retailers. It has become an iconic shopping centre brand with pan-India fame.

Quest features appropriate zoning for luxury, premium, regular and ethnic brands. It also has the finest 6 theatre cinema owned by Inox, Michelin Starred restaurant 'Yauatcha' and the international Italian eatery brand 'Serafina' from New York. It also hosted the ISL launch and the victory celebration by Atletico de Kolkata. Quest won several awards and accolades for differentiated offerings. These include:

- 'Shopping Mall of the Year - East', at the 7th Estate Awards organised by Franchise India in media partnership with ET Now.
- 'Best Shopping Mall of the Year - East', at the Indian Retail and 3rd e-Retail Awards 2014.
- 'Best Regional Food Court of the Year- East' at the 4th Indian Restaurant Awards 2014 - 4th National Awards on Business of Restaurants by Franchise India.

## HUMAN RESOURCES

CESC views its employees as its greatest asset and continually strives to create a work environment that ensures their growth, capability building and well-being. The Company endeavours to be an "employer of choice" by striving to achieve best-in-class HR practices in a dynamic business environment. With this objective, HR takes regular inputs from all cross-sections of employees through engagement surveys and perception studies to align itself to the Company's changing business needs. The major change drivers during the recent times were identified through the recent surveys such as Organisational Health Index survey by McKinsey, 'Great Place to Work' survey, engagement survey for Gen-Y executives, 90-day on-board survey etc. To take these initiatives a step further, an engagement survey to cover all categories of employees across the organisation is under way.

HR strategy at CESC is driven by its well-structured recruitment and selection process which takes into account various factors like current strength, natural separations and future requirements based on new initiatives. The Company has established itself as a "Preferred Employer" among premier educational institutions through its structured initiatives to enhance campus relations driven by a dedicated cross-functional team of senior executives. The innovative process of talent acquisition through 'Unmesh', the paid summer internship programme, has played a major role in this direction.

Training and Development in CESC is a planned intervention for upgrading knowledge, skills, attitude and behaviour of employees for effective performance, together with value addition to self and the organisation. CESC has put in place a multi-pronged approach on employee training and development with the focus areas aligned with the organisational strategy every year. The annual training plan covers all categories of employees and extensively uses the available internal resources and suitably identified external resources. 'Anneswan', the annual induction process has established itself as a highly popular initiative for integrating the newly recruited executives within the organisation.

The Asia Institute of Power Management, the training and consulting

wing of CESC has established itself in training power professionals across the country and abroad. Key achievements of the Institute during 2014-15 are provided in Box 1.

### Box 1 : Key Achievements of Asia Institute of Power Management (AIPM)

- AIPM was selected as partner of Solar Energy Training Network (SETNET), and will be responsible for designing, developing and conducting training modules on different facets of solar energy across India. SETNET was launched by National Institute of Solar energy (NISE), an institute under MNRE, to promote training in the field of solar energy across India.
- AIPM has maintained a steady growth in training services. Several training programmes were conducted in 2014-15 in the areas of power generation, transmission and distribution for employees of Punjab State Power Corporation Limited (PSPCL), Bangalore Electricity Supply Company (BESCOM), West Bengal Power Development Corporation (WBPDCL), Odisha Power Transmission Corporation Limited (OPTCL) and Gujarat Energy Training & Research Institute (GETRI). Total number of people who participated in these programmes was 3,202.
- AIPM successfully carried out a challenging consultancy contract by Assam Power Distribution Company Limited (APDCL) for overhead to underground conversion in prime areas of Guwahati, which involved designing a reliable network with adequate redundancy. The services have been very well received by APDCL, which has expressed its willingness to engage with AIPM for upcoming activities under subsequent stages of the project.
- AIPM is working towards becoming a partner of choice for power distribution companies in various states to support them in building training infrastructure, curriculum and processes. During the year, state utilities in Assam, Uttar Pradesh, Jharkhand, Andhra Pradesh and Punjab have shown their interest in engaging with AIPM in this regard.

During the year, CESC organised curriculum-based training programmes, in collaboration with reputed institutes like XLRI-Jamshedpur, IIT-Kharagpur and IIM-Calcutta, to impart a holistic view of various systems and processes for the executives. Specialised technical programmes are being conducted for the supervisors, jointly with Jadavpur University and IIES(T) Shibpur. Besides these, initiatives such as Young Executive Board, Coaching and Mentoring, Manager as Barefoot Coach, and outbound learning programmes are in place over the years for the development of internal talent.

The Oracle based HRMS, launched in June 2014 has made employee related routine transactions much faster and streamlined. During the year, more features have been added to the system. The fourth edition of the 'Knowledge Carnival' was held in March 2015 highlighting once again the innovative ideas available across the various departments. Four new innovation projects from Generation and Distribution divisions were completed and the results of the same are expected to reflect positively on the performance of the Company.

CESC leadership remains actively involved in the communication of the business priorities to its employees. As part of a major change management initiative, a formal communication template was launched during the year to ensure regular meets among the top leadership team and all sections of executives creating a platform for a structured two-way communication. An annual communication

calendar giving details of the dates, level of the participants and venue has also been put in place to ensure the success of the initiative. The launch of 'Leadership Connect Portal', a digital platform to enable individual executives to connect with members of the senior leadership team and put forward their queries and suggestions is also a major communication initiative this year.

The 'Online Performance Management System' has made the process of Performance Management faster and more efficient. During the year a number of improvements were carried out after a comprehensive external audit. During the year, a PMS Grievance Redressal Cell with select members of the senior leadership team was also formed to address individual grievances in the PMS process. A reward and recognition scheme is in place for the executives to acknowledge outstanding performance in all departments. During the year, this was extended to our field staff.

A significant reduction in executive attrition rate from 3.9% in 2011-12 to 2.17% in 2013-14 and 1.94% in 2014-15 bears testimony to CESC's excellent HR practices. During the year, CESC won the 'Golden Peacock HR Excellence Award' instituted by the Institute of Directors. CESC also won the GreenTech Award in the 'Gold' category for its innovative practices in recruitment. CESC had also applied for the much coveted 'CII-Exim Bank Award for Business Excellence' for the first time and received commendation for 'Strong Commitment to Excel'.

On the IR front, the unions representing the employees are progressive partners in growth and success of the Company. They continued to extend their full cooperation and support for implementation of advanced technology, modernisation and improvement in consumer service, which involves rationalisation and skill upgradation. During the year under review, a large number of employees were redeployed consequent to cessation of generation at the 65 year old New Cossipore Generating Station. Biometric attendance system was also installed at a number of Company's establishments in phases. CESC continues to play a pivotal role in employee welfare with the introduction of family medical insurance benefit scheme for members of the employees' families to institutionalise medical security. Both employees and management has a healthy tradition of complementing each other's efforts in promoting the interest of the Company as well as its stake holders.

As on 31 March 2015, CESC had a workforce of 9,731 people on its payroll. The company continues to enjoy industrial harmony in its business operations. No major incident of business interruption due to industrial relations issues was reported during the year.

## INFORMATION TECHNOLOGY (IT)

At CESC, IT is not just an enabler of business processes, but forms an integral part of the organisation's capability to deliver on its strategic and performance objectives. It has been identified as a key element to achieve greater operational efficiency and ensure success in a competitive environment.

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 for its IT applications. The Company operates on Oracle Apps ERP solution for its key functions. During the year, the coverage of CESCNET was further expanded to cover distribution stations, taking the total number of connected locations to over 140. The in-house IT team continuously innovates and develops customised solutions for a wide variety of end-users, be it HRMS and Online PMS for the HR function or field-force automation and customer-centric tools for Distribution. These have already been discussed in the respective sections.

During 2014-15, the focus of the IT function was to implement a comprehensive digital strategy for the Company to take the contribution of IT to the next level. This strategy - termed as 'SMAC Framework' - is conceptualized to have four key elements: Social Media, Mobility, Analytics and Cloud Computing. Some of the main achievements during the year are discussed below:

- **Social Media** : This encompasses all measures to expanding the online presence and visibility of CESC, as well as increasing its engagement with its customers on social media. As a part of this, the Company introduced Facebook and Twitter channels for receiving opinions and complaints, and set-up effective mechanisms to bring down response times. The Company's website was completely redesigned and strengthened to operate as a virtual office available 24x7 to its customers for all manner of services, queries and complaints.
- **Mobility** : CESC launched two mobile applications-one for its customers and another for its employees. The customer facing application brings all online services and features to the mobile device in a very user friendly interface, significantly upgrading the flexibility and user experience. The employee facing application, on the other hand, is aimed at automation and collection of real-time information from the field force, resulting in considerable improvement in efficiency of business processes.
- **Analytics** : Digitisation has increased the volume of data that is available-both structured data from internal business processes and unstructured data from social media. Analysis of these data can have important implications for improving efficiencies and understanding consumers. To augment its capabilities in this respect, the Company has invested in a SAS-based business intelligence tool.
- **Cloud Computing** : This has emerged as an important solution offering enterprises a potentially cost effective model to ease their computing needs and accomplish business objectives. With rapid increase in virtualisation of business processes, CESC is taking its first steps to deploy private cloud for such processes.

Going forward, CESC will continue to build on the SMAC Framework. Special emphasis will be on improving the customer-centric processes, and deploying meaningful applications in the area of analytics and cloud computing to enable data driven business decisions.

## 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. The Company's approach to CSR emanates from its intent to undertake initiatives that aim at comprehensive and long-term development of the communities among which it works and, thereby, contribute to the larger development goals. From 1 April 2014, it pledges at least 2 per cent of the average net profits made during the three immediately preceding financial years towards CSR efforts and initiatives. It has also set-up implementation mechanisms mandated by the Companies Act, 2013. The Company along with other companies of the group has set up RP-Sanjiv Goenka Group CSR Trust, to carry out CSR activities.

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. The focus areas of CESC's CSR initiatives are education, health, Sports, environment, and community development. During the year, CESC won "Gold Award" for outstanding achievement in CSR in thermal power sector at the 4<sup>th</sup> Annual Greentech CSR Awards.

### 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 2014-15, the Company implemented the programme in 11 schools in Titagarh and Budge Budge, benefiting approximately 10,000 students. Access to good libraries plays an important role in improving quality of education. In view of this, CESC also has a 'Library Programme' for schools and communities around its generating stations. During the year, CESC upgraded three school libraries in Budge Budge and Garden Reach and set-up three community libraries in Budge Budge and Titagarh. This has benefited more than 8,000 students.

Under its '*NirmalAbhiyan*' 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 2014-15, infrastructural support was extended to five schools to upgrade their sanitation facilities which benefited around 500 students. Support was also provided to selected schools to upgrade kitchen and general amenities. Apart from this, improved sanitation support for differently abled children was provided in two schools and safe drinking water systems were installed in all five

schools. Child cabinets were also formed in the schools and training on hygiene practices was imparted. Till date, '*NirmalAbhiyan*' has been implemented in 7 schools and benefited around 1,000 students.

The Company's '*Muktangan*' project is a remedial education programme for underprivileged students, which is being implemented in partnership with Narayantala Mass Communication Society. 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. In 2014-15, the Project was extended from one centre to 15 centres in Pujali, Budge Budge and Titagarh. Over 700 students are directly benefiting from this initiative.

During the year, the 'CESC Learning Labs' programme was extended from six to ten schools. This programme, carried out in partnership with NIIT Limited, is a learning solution which integrates science and math labs with classrooms. It allows students to enhance their learning capabilities by helping them correlate classroom learning with computer aided simulations. Learning labs in mathematics and science for Classes VI-X emphasises on 'learning by doing' to foster applied reasoning. More than 60 teachers have been trained under the programme and over 7,000 students have benefited from it.

### Health Initiatives

During 2014-15, CESC launched a programme called '*HamariSehat*' in partnership with CLPOA. The objective of this programme is to improve maternal and child health status in terms of reduced mortality and morbidity, improvement in general health seeking behaviour, increased coverage of immunisation, reduced malnutrition and improved hygiene practice through awareness and facilitation of service deliveries. The intervention launched in Garden Reach area during the year focuses on maternal and child health and around 250 people are directly benefiting from it.

During 2014-15, the Company also launched the '*Suswasthya*' programme, in partnership with Association for Social and Health Advancement (ASHA), to improve the health of women, adolescents and children in selected slums. Specific focus is on prevention of severe malnutrition among children and appropriate ante-natal and post-natal care for women. The project was launched in Kamarhati, Bhadreswar and Champdani municipalities and around 1,650 beneficiaries have been identified for support under the programme.

### Environment Initiatives

During the year, CESC extended its '*UrjaChetana*' programme from 20 schools to 30 schools. Carried out in partnership with Centre for Environment Education (CEE), the programme seeks to generate awareness and action on energy conservation amongst students, who would carry the learning to the larger society through community outreach activities. More than 1,500 students and 60 teachers have been directly involved with the programme and over 10,000 persons have been reached out to through in-school and community outreach activities. During the year, the Company 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

During 2014-15, CESC launched '*NirmalSankalp*', a comprehensive water and sanitation project in Titagarh Municipality, in partnership with Water for People India Trust (WFPIT). The project seeks to improve availability, usage, quality and sustainability of water and sanitation facilities by involving community members as change agents. In the first year, work has been initiated in Ward No. 13, which has a population of around 5,000. A number of toilets and bathing cubicles were repaired, renovated and constructed. User groups and committee were 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.

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 and automobile sectors. During 2014-15, the programme benefited 230 people, taking the total coverage in the last two years to around 500 people.

CESC continued with its support of its artisans' cluster development project called '*Ekkadam*'. During the year, skill upgradation training of zari artisans was conducted, market linkages were established and Artisan Cards (issued by the Ministry of Textiles, Government of India) were provided. Similarly, in the entrepreneurship development programme for mentally challenged girls called '*Alor Disha*' at Antaranga School, students along with their parents/guardians were trained in various crafts such as kantha embroidery, bead jewellery, jute products and hand-made paper products. Market linkages were established and the participants were provided Artisan Cards.

## FINANCIAL PERFORMANCE

Table 3 summarises the financial performance of CESC Limited for the year ended 31 March 2015 as a standalone entity.

Total income (including other income) of CESC as a standalone entity increased by 12%, from ₹ 5,610 crore in 2013-14 to ₹ 6,274 crore in 2014-15.

**Table 3 : Standalone Financial Performance of CESC Limited for the Year Ended 31 March 2015**

₹ Crore

	2014-15	2013-14	% Change
Revenue from operations	6,189	5,510	12%
Other Income	85	100	-15%
<b>Total Income</b>	<b>6,274</b>	<b>5,610</b>	<b>12%</b>
Cost of Power Purchased	1,323	891	48%
Fuel Costs	1,805	1,861	-3%
People Costs	694	694	0%
Generation, Distribution, Administration & Other Costs	818	631	30%
<b>Total Expenses</b>	<b>4,640</b>	<b>4,077</b>	<b>14%</b>

₹ Crore

	2014-15	2013-14	% Change
<b>EBIDTA</b>	<b>1,634</b>	<b>1,533</b>	<b>7%</b>
Depreciation	343	339	1%
<b>EBIT</b>	<b>1,291</b>	<b>1,194</b>	<b>8%</b>
Finance Costs	408	369	11%
<b>PBT</b>	<b>883</b>	<b>825</b>	<b>7%</b>
Less: Provision for Taxes			
Current Tax	185	173	7%
<b>PAT</b>	<b>698</b>	<b>652</b>	<b>7%</b>

Overall operating expenses grew by 14% to ₹ 4,640 crore in 2014-15 primarily driven by increase in cost of power purchased. In spite of this, earnings before interest, depreciation and taxes (EBIDTA) went up by 7% over last year to ₹ 1,634 crore in 2014-15. Profit before depreciation and taxation (PBDT) reflected a year-on-year increase of 5% to ₹ 1,226 crore in 2014-15.

The Company's profit after taxes (PAT) for 2014-15 stood at ₹ 698 crore, which reflects a 7% increase over the previous year. The earnings per share (EPS) during the year stood at ₹ 54.51 compared to ₹ 52.18 in 2013-14.

## INTERNAL CONTROLS

A strong internal control framework is an essential pre-requisite of any 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 of the Company, 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 thereon 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. 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

The Indian power sector is witnessing significant capacity expansions to meet the increase in demand from a rapidly growing economy,

most of which will be coal-based. Even as this is an opportunity, it has created shortages in coal supply. Increase in the relevance of India in the global market for coal and high global demand in general further accentuates this trend. In this environment, securing coal linkages of appropriate quality and at competitive prices remains a challenge and a risk for the Company.

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. This is reflected in the Group's investment and long-term purchase agreement with Resource Generation Limited, a company based in South Africa.

### 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.

There is also another associated risk. High quality coal, i.e. coal with low ash content and high heat value, is becoming scarcer. Some of CESC's older plants had been designed for such coal as input. With the supply of this type of coal drying up, it will become more difficult to operate these generating stations - and replacing these with new plants capable of using currently available qualities of coal will become necessary, with its attendant capital cost commitments.

To mitigate the operational 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, which became operational during the year, will ensure availability of power in the medium to longer term.

### 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

The global economic environment continues to be uncertain. Even as the US and UK are recovering, the situation in Japan and Europe is still unclear. The global energy sector, too, is going through a period of constant upheaval that will have long-term implications for the demand-supply balance as well as preferred choice of fuel.

As far as Indian economy is concerned, the decline in inflation in the second half of 2014-15 has contributed to an improvement in sentiment. This has also led to easing of the monetary policy, although it is yet to fully reflect in lower borrowing costs. On the policy front too, there were positive developments during the year. Reallocation of certain coal blocks through e-auction route has been a positive development. At the same time, focus of the Government on increasing domestic coal production and policies for encouraging renewable fuel sources will reduce implementation risks and help create a more balanced generation capacity in the country.

India's GDP growth is expected to be 7.5 per cent in 2014-15, around 1 percentage point higher than the previous year. If inflation remains stable, interest rates should come down further, spurring investment and growth. Also, the longer term demand outlook for power in India continues to be strong. These 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.

On behalf of the Board of Directors

Sanjiv Goenka  
Chairman

Kolkata, 21 May 2015

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

## Company's Philosophy on Corporate Governance

CESC Limited ('CESC' or 'the Company') believes in the philosophy of being a consumer oriented power utility by accomplishing targeted performance thus enhancing stakeholders' satisfaction while being recognised as an ethical and environment responsive organisation.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through the existing Clause 49 of the Listing Agreement with the Stock Exchanges. This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports CESC's compliance with Clause 49 for the year ended 31 March 2015.

## BOARD OF DIRECTORS

### COMPOSITION OF THE BOARD

On 31 March 2015, CESC's Board of Directors ('the Board') consisted of nine Directors, of which six were Independent Directors. One of the non-executive Independent Directors was the nominee of a bank. 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 Clause 49 of the Listing Agreement.

### NUMBER OF BOARD MEETINGS

In 2014-15, the Board of the Company met six times: on 30 May 2014, 30 July 2014, 22 September 2014, 18 October 2014, 14 November 2014 and 12 February 2015. 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 Board of Directors. None of the Directors is a member of more than ten Board-level Committees of public companies in which they are Directors, nor is Chairman of more than five such Committees.

**Table 1 : Composition of the Board of Directors as on 31 March 2015**

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	9	–	1	6	5	Yes
Mr. P. K. Khaitan	Independent	9	4	–	6	4	No
Mr. B. M. Khaitan	Independent	5	–	–	6	2	No
Mr. S. N. Menon <sup>3</sup>	Independent	2	1	–	6	–	No
Mr. C. K. Dhanuka	Independent	8	5	–	6	6	Yes
Mr. S. K. Pai <sup>4</sup>	Nominee	–	–	–	6	5	Yes
Ms. R. Sethi <sup>5</sup>	Independent	2	–	–	6	4	Yes
Mr. K. Jairaj <sup>5</sup>	Independent	1	–	–	4	3	NA
Mr. P. Chaudhuri <sup>5</sup>	Independent	5	1	2	3	3	NA
Mr. A. Basu	Executive	–	–	–	6	6	Yes

#### Notes :

- The 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.
- In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all public limited companies have been considered.
- Mr. Menon resigned with effect from 16 January 2015.
- Mr. Pai nominee of IDBI Bank Limited, has since been withdrawn by IDBI Bank Limited with effect from 24 April, 2015.
- Ms. Sethi, Mr. Jairaj and Mr. Chaudhuri were appointed director with effect from 30 May, 1 August and 1 October 2014 respectively.

#### DIRECTORS WITH MATERIAL PECUNIARY BUSINESS RELATIONSHIP WITH THE COMPANY

As mandated by Section 149 of the Act and Clause 49, an Independent Director on CESC's Board is a person other than a nominee director and :

- is a person of integrity and possesses relevant expertise and experience.
- (i) is or was not a promoter of the Company, its subsidiary or associate company;
- (ii) is not related to promoters or directors in the Company, its subsidiary or associate company;
- apart from receiving director's remuneration, has or had no material pecuniary relationship (other than in professional capacity) with the Company, its subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- none of whose relatives has or had pecuniary relationship or transactions with the Company, its subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income of fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- who, neither himself nor any of his relatives -
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company, its subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor, or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
    - (a) a firm of auditors or company secretaries in practice or cost auditors of the Company, its subsidiary or associate company; or
    - (b) any legal or a consulting firm that has or had any transaction with the Company, its subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its subsidiary or associate company or that holds two per cent or more of the total voting power of the Company;
- is not a material supplier, service provider or customer or lessor or a lessee of the Company;
- is not less than 21 years of age.

During 2014-15, the Independent Directors met on 24 December 2014 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 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)

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 2014-15. 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)

#### 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 2014-15 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). Since the close of the year, a new Code of Business Conduct and Ethics for members of the Board and Senior Management Officers has been adopted by the Board, in supersession of the earlier one, to bring it in line with the revised Listing requirements of the Stock exchanges.

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

As on 31 March 2015, 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 30 July 2014.

The Committee met four times during the course of the year: on 30 May 2014, 30 July 2014, 14 November 2014 and 12 February 2015. Table 2 gives attendance record.

**Table 2 : Attendance record of Audit Committee members for 2014-15**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. S. Goenka	Member	Non- Executive	4	3
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 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. 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 Clause 49. The Committee at its meeting held on 12 February, 2015 granted requisite approvals in respect of transactions with related parties. No person has been denied access to the Committee.

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

During the year, the Investors' Grievance Committee was renamed as Stakeholders Relationship Committee on 30 May 2014. The Committee looks into redressal of grievances of shareholders and other security holders such as transfer of shares, issue of share certificates, non-receipt of Annual Report and non-receipt of declared dividends.

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 Mr. S. Goenka, who is the Chairman of the Committee and Mr A. Basu. The Committee met three times during the year : on 2 June 2014, 13 October 2014 and 23 February 2015. Table 3 gives the details of attendance.

**Table 3 : Attendance record of Investors' Grievance Committee for 2014-15**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. S. Goenka	Chairman	Non- Executive	3	3
Mr A. Basu	Member	Executive	3	3

## NOMINATION & REMUNERATION COMMITTEE

On 30 May 2014 CESC's Remuneration Committee was renamed as Nomination & Remuneration Committee. The Committee comprised Independent Directors, Mr. B. M. Khaitan (Chairman), Mr. C. K. Dhanuka and Mr. P. K. Khaitan (Independent Director with effect from 1 October 2014). Mr. S. K. Pai the other member of the Committee, has since been withdrawn by IDBI Bank Limited as its nominee.

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 -

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

During the year, the Committee met three times: on 30 May 2014, 30 July 2014 and 12 February 2015. Table 4 gives the details of attendance.

**Table 4 : Attendance record of Nomination & Remuneration Committee for 2014-15**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. B. M. Khaitan	Chairman	Non- Executive	3	3
Mr. C. K. Dhanuka	Member	Non- Executive	3	3
Mr. P. K. Khaitan	Member	Non- Executive	3	2
Mr. S. K. Pai*	Member	Non- Executive	3	2

\*since withdrawn by IDBI Bank Limited as its nominee with effect from 24 April, 2015.

Payment of remuneration to the Managing Director is governed by the agreements executed between him and the Company and are governed by Board and shareholders' resolutions. The remuneration structure comprises salary, variable pay, perquisites and allowances and retirement benefits in the 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 2015 :

In accordance with the recommendation of the Nomination & Remuneration Committee, the Sitting fees payable to the non-executive Directors for attending each meeting of the Board or any committee thereof were increased from ₹ 20,000 to ₹ 1, 00,000 with effect from 30 July 2014.

Mr. S. Goenka, Chairman, ₹ 12,20,000, Mr. P. K. Khaitan - ₹ 6,40,000, Mr. B. M. Khaitan - ₹ 12,60,000, Mr. C. K. Dhanuka - ₹ 11,60,000, Mr. S. K. Pai, Nominee of IDBI Bank Limited - ₹ 7,00,000, Ms. R. Sethi - ₹ 4,20,000, Mr. K. Jairaj - ₹ 4,00,000, Mr. P. Chaudhuri - ₹ 5,00,000 and Mr. S. N. Menon (since resigned as a Director) - ₹ Nil.

Sitting fees include payment for Board-level committee meetings. Sitting fees of nominee Director were paid to the bank he represented.

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 2014-15 at the rate of 1% of net profits, for the financial year 2013-14, calculated under the applicable provisions of the Companies Act, 1956. ₹ 852 lakh has been paid to the Non-Executive Directors of the Company for the said year out of which a total sum of ₹15 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.

#### Remuneration of the Managing Director :

The remuneration of Mr. A. Basu, Managing Director, for the year 2014-15 in accordance with the Special Resolution passed by the shareholders at the Thirty-fifth Annual General Meeting held on 26 July 2013 was: Salary - ₹ 32 lakh, contribution to Pension and Provident Fund and Gratuity - ₹ 10 lakh, Estimated value of other benefits - ₹ 69 lakh, Variable pay payable for 2014-15 - ₹ 48 lakh. Total : ₹ 159 lakh. Mr. Basu was the only executive on the Company's Board as on 31 March 2015.

#### Shares held by non-executive Directors :

As on 31 March 2015, 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 2015, no convertible instruments of the Company are outstanding.

#### RISK MANAGEMENT COMMITTEE

A Risk Management Committee of the Board was constituted on 22 September 2014 consisting of Mr. P. K. Khaitan (Chairman), Mr. B. M. Khaitan, Mr. P. Chaudhuri and Mr. A. Basu with 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, distribution loss minimisation, adherence to regulatory standards, IT system, implementation of new projects etc.

The Committee met once during the year on 10 March 2015. Table 5 gives the details of attendance.

**Table 5 : Attendance record of Risk Management Committee for 2014-15**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. P. K. Khaitan	Chairman	Non- Executive	1	1
Mr. B. M. Khaitan	Member	Non- Executive	1	-
Mr. P. Chaudhuri	Member	Non- Executive	1	1
Mr. A. Basu	Member	Executive	1	1
Mr. G. Ray	Member	Senior Company executive	1	1
Mr. R. Banerjee	Member	Senior Company executive	1	1

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

A Corporate Social Responsibility (CSR) Committee of the Board was constituted on 30 May 2014 consisting of Mr. S. Goenka, Mr. B. M. Khaitan and Mr. A. Basu as its members with Mr. Goenka as its Chairman, in order 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. During the year, the Committee met two times: on 11 February and 25 March 2015. Table 6 gives the details of attendance.

**Table 6 : Attendance record of CSR Committee for 2014-15**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. S. Goenka	Chairman	Non- Executive	2	1
Mr. B. M. Khaitan	Member	Non- Executive	2	2
Mr. A. Basu	Member	Executive	2	2

#### SUBSIDIARY COMPANIES

As on 31 March 2015, CESC had thirty-three subsidiaries. CESC Infrastructure Limited and Dhariwal Infrastructure Limited are two material subsidiaries of the Company. As required, Mr. P. Chaudhuri, an independent director, was on the board of both the above material subsidiaries.

#### 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.

Since the close of the year, 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, in supersession of the earlier one in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

#### WHISTLE BLOWER POLICY

As required under the Act and Clause 49 of the Listing Agreement, 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.

#### 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. A. Basu retires at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

Mr. K. Jairaj and Mr. Pratip Chaudhuri who were appointed by the Board as Additional Directors on 1 August 2014 and 1 October 2014 respectively shall hold office as such up to the date of the forthcoming Annual General Meeting. The Company has received Notices in writing from Members along with the requisite deposit of money proposing the candidatures of Mr. Jairaj and Mr. Chaudhuri for the office of Directors under the applicable provisions of the Act. Mr. Jairaj and Mr. Chaudhuri are Independent Directors for a period of five years from 1 August 2014 and 1 October 2014 respectively.

Their details are mentioned below.

MR. ANIRUDDHA BASU, 55 years of age is the Managing Director of CESC Limited. An Electrical Engineer from Jadavpur University, Kolkata with a special management course from IIM-Calcutta, Mr. Basu has been with CESC from the beginning of his professional career in 1984. He was Executive Director (Distribution) before being designated as the Managing Director of CESC by its Board of Directors on 28 May 2013. He is known for his domain expertise, hard work, people orientation and fair approach. Mr. Basu was responsible for operational management of the electricity distribution system in the twin cities of Kolkata and Howrah, as well as their suburbs. He has also supervised loss reduction initiatives in transmission and distribution. He has also taken CESC's customer service to the next level by introducing a range of customer focused initiatives.

Mr. Basu is a member of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Board of the Company.

Mr. Basu is not a Director of any other Company and he holds 110 shares in the Company.

MR. KALAIKURUCHI JAIRAJ, 63 years of age is a member of the 1976 batch of the Indian Administrative Service (IAS), and has retired in 2012 as Additional Chief Secretary to the Government of Karnataka. He has held distinguished appointments in the infrastructure, energy, transport and urban development sectors. Mr. Jairaj was a key member of the team establishing the Bangalore International Airport Limited and served with the World Bank, Washington D.C. USA as senior management specialist in the Africa region between 2004 and 2006. Mr. Jairaj is also associated with several educational and not for profit institutions.

Other Directorships	Mr. Jairaj is an Independent Director of Manipal Green Tech India Private Limited, Neo Foods Private Limited and Royal Orchid Hotels Limited (also member of its Audit Committee and Nomination and Remuneration Committee).
Number of shares held in the Company	Nil

MR PRATIP CHAUDHURI, 61 years of age is a former Chairman of State Bank of India (SBI), having held several important posts in the Bank during his long tenure of service including the post of Deputy Managing Director of SBI's International Division. Mr. Chaudhuri has vast experience in the banking sector. He is a member of Risk Management Committee of the Board of the Company.

Other Directorships	Mr. Chaudhuri is a director of Visa Steel Limited (also member of Audit Committee and chairman of Finance & Banking Committee and Stakeholders Relationship Committee), Alchemist Asset Reconstruction Company Limited (also chairman of Asset Acquisition and Resolution Committee, Nomination and Remuneration Committee and Search Committee), Cosmo Films Limited (also chairman of Audit Committee and member of Risk & Operations Management Committee), CESC Infrastructure Limited and Sundaram Asset Management Company Limited (also member of Executive Committee).
Number of shares held in the Company	Nil

#### COMMUNICATION TO SHAREHOLDERS

CESC puts forth key information about the Company and its performance, including quarterly results, official news releases, and presentations to analysts, on its website [www.cesc.co.in](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.

#### INVESTOR GRIEVANCES & SHAREHOLDER REDRESSAL

The Company has appointed a Registrar and Share Transfer Agent, Link Intime India Private Ltd., which is fully equipped to carry out share transfer related activities and redress investor complaints. Mr. S. Mitra, Company Secretary, is the Compliance Officer overseeing the process of redressal of all shareholders' grievances.

#### DETAILS OF NON-COMPLIANCE BY THE COMPANY

CESC has complied with all requirements of the regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

#### 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
2011-12	27 July 2012	10:30 A.M.	CITY CENTRE, Royal Bengal Room, DC Block, Sector I, Salt Lake, Kolkata 700064	Two
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

No special resolutions passed at the above Annual General Meetings were 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 Clause 49.

### NON-MANDATORY REQUIREMENTS

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

### SHAREHOLDER RIGHTS - FURNISHING OF QUARTERLY RESULTS

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

### AUDIT QUALIFICATIONS

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

### 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 Clause 49. The certificate is annexed to this report.

On behalf of the Board of Directors

Sanjiv Goenka  
Chairman

Kolkata, 21 May 2015

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## 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, 2015, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

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 (as stipulated in Clause 49 of the Listing Agreement), 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 above mentioned Listing Agreement.

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.

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

Sougata Mukherjee  
Partner

Place: Kolkata  
Date: 21 May, 2015

Membership No : 057084

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



## ANNUAL GENERAL MEETING

Date :	31 July 2015
Time :	10.30 A.M.
Venue :	CITY CENTRE Royal Bengal Room DC Block, Sector I Salt Lake, Kolkata 700064

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

**For the year ended 31 March 2015, results were announced on :**

First quarter	: 31 July 2014
Second quarter	: 14 November 2014
Third quarter	: 12 February 2015
Fourth quarter and annual	: 21 May 2015

**For the year ended 31 March 2015, results will be announced by :**

First quarter	Within 14 August 2015
Second quarter	Within 14 November 2015
Third quarter	Within 14 February 2016
Fourth quarter and annual	Within 30 May 2016

## BOOK CLOSURE

The Register of Members will be closed from 24 July 2015 to 31 July 2015 (both days inclusive) as annual closure for the Annual General Meeting and payment of dividend, if declared.

## DIVIDEND DATE

Equity Shares : The Board has recommended a dividend of ₹ 9 per equity share for the year ended 31 March 2015; if declared at the AGM, this would be payable on and from 4 August, 2015.

## 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 paid to the respective institutions.

## STOCK DATA AND PERFORMANCE

Table 1 below gives the monthly high and low prices of CESC's equity shares at the Calcutta Stock Exchange (CSE), BSE Limited (BSE) and the National Stock Exchange (NSE) for the year 2014-15.

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

Month	Bombay Stock Exchange Limited (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2014	533.95	444.90	534.00	444.15
May, 2014	656.60	441.00	657.80	440.55
June, 2014	710.95	573.65	712.00	572.40
July, 2014	785.60	603.00	787.30	601.00
August, 2014	755.00	636.95	755.90	636.00
September, 2014	828.10	690.65	827.45	689.90
October, 2014	760.85	645.65	761.90	645.00
November, 2014	765.05	662.00	764.80	661.15
December, 2014	729.50	603.05	729.70	603.20
January, 2015	751.30	653.75	751.00	652.90
February, 2015	751.20	566.60	751.70	566.00
March, 2015	624.50	567.25	624.65	566.40

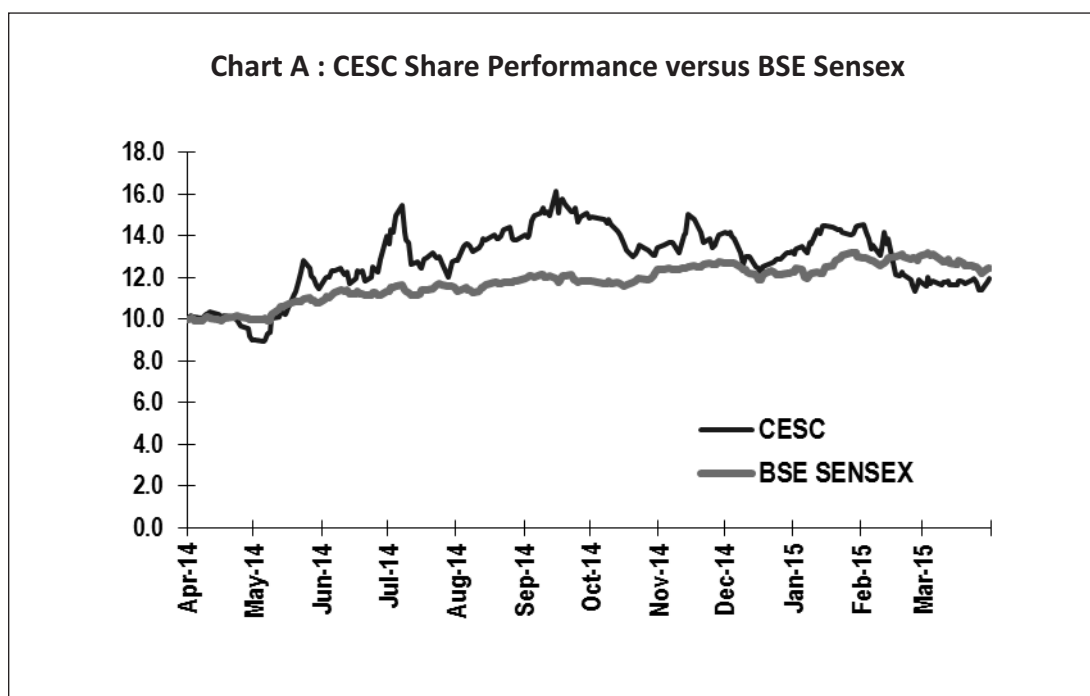
\* There was no trading in the shares of the Company at CSE during the year.

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 2014-15.

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

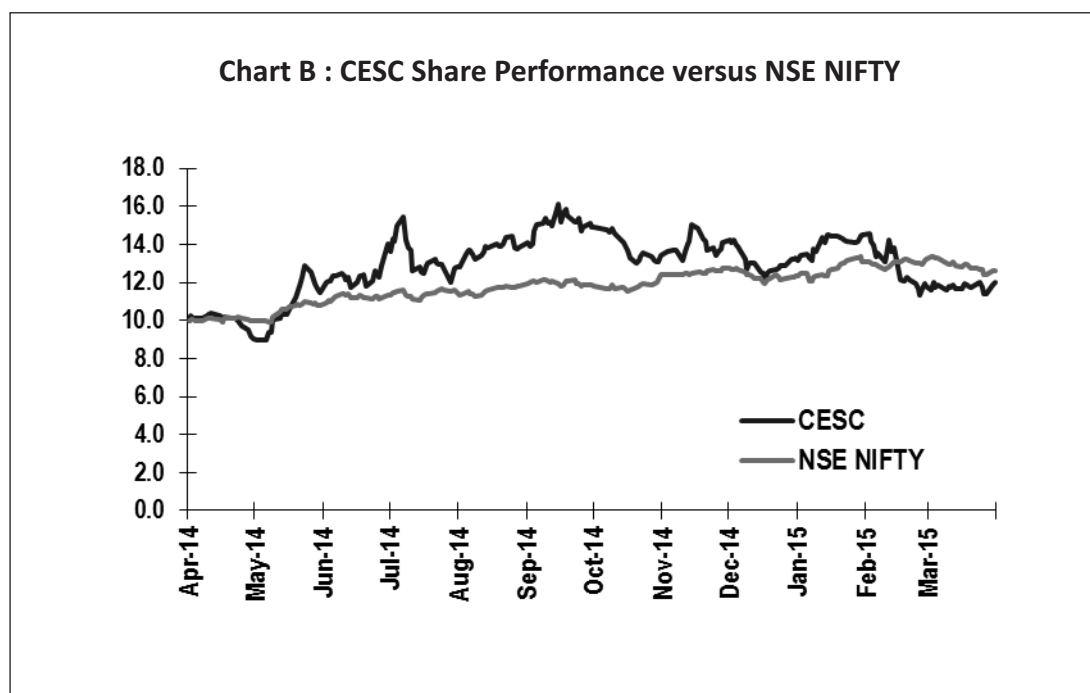
As at close of last trading day for each month	CESC's Closing Price on NSE (₹)	NSE Nifty	BSE Sensex	BSE 500 Index	BSE Power Index
April 2014	454.90	6696.40	22417.80	8342.15	1686.54
May 2014	577.45	7229.95	24217.34	9206.01	2166.65
June 2014	706.80	7611.35	25413.78	9791.34	2318.72
July 2014	645.65	7721.30	25894.97	9831.51	2133.55
August 2014	695.50	7954.35	26638.11	10096.08	2041.75
September 2014	750.05	7964.80	26630.51	10173.26	1978.06
October 2014	678.05	8322.20	27865.83	10594.89	2166.41
November 2014	709.90	8588.25	28693.99	10956.16	2166.14
December 2014	670.45	8282.70	27499.42	10721.62	2092.51
January 2015	731.30	8808.90	29182.95	11346.24	2224.52
February 2015	594.00	8901.85	29361.50	11454.35	2269.06
March 2015	603.85	8491.00	27957.49	11048.75	2127.41

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



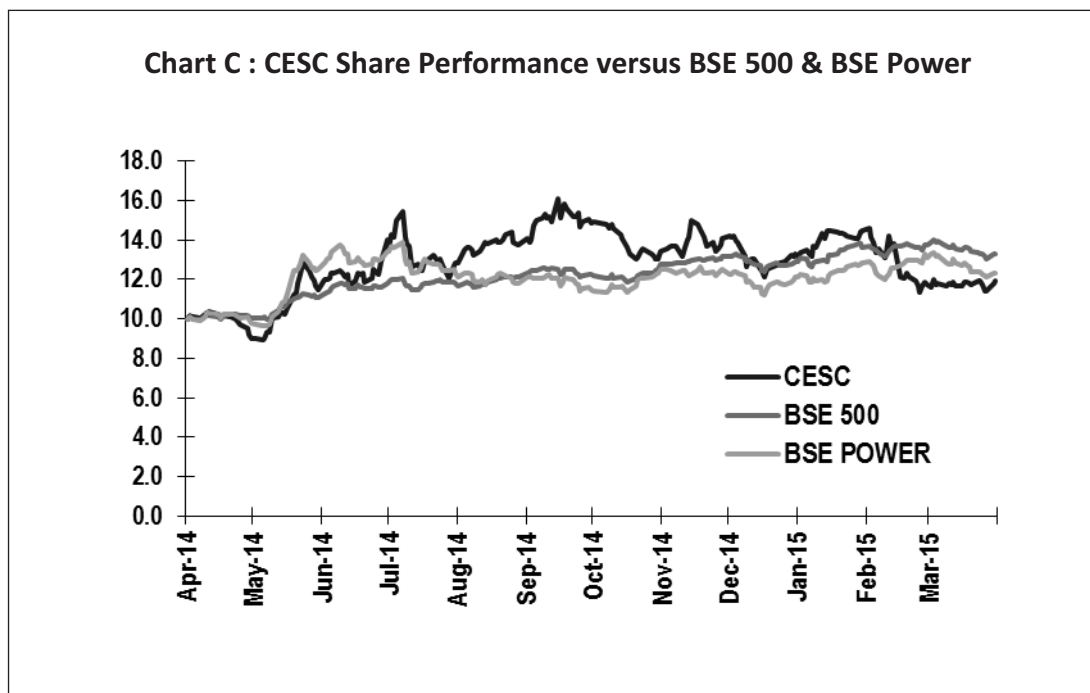
Note : Share price of CESC and BSE Sensex have been indexed to 100 on 1 April 2014

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 2013

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 2014

#### SHARE TRANSFER AGENTS AND SHARE TRANSFER AND DEMAT SYSTEM

CESC processes share transfers through its share transfer agents, whose details are given below.

##### LINK INTIME INDIA PRIVATE LIMITED

59C Chowringhee Road, 3rd Floor, Kolkata - 700 020

In compliance with the SEBI circular dated 27 December 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, CESC has established direct connections with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its 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 2015, dematerialised shares accounted for 96.53% of total equity. 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 2014-15.

**Table 3 : Number and nature of complaints for 2014-15**

Particulars	Nature of 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	4	-	8	8	20
Attended during the year	4	-	8	8	20
Pending as on 31 March 2015	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 2015**

Category	As on 31 March 2015	
	Total No. of shares	Percentage
<b>1. Management Group / Families</b>	<b>65,613,644</b>	<b>49.50</b>
<b>2. Institutional Investors</b>		
a. Mutual Funds and UTI	16,778,010	12.66
b. Banks, Financial Institutions, Insurance Companies	1,954,257	1.47
c. FIs	3,66,12,228	27.62
<b>Total</b>	<b>55,344,495</b>	<b>41.75</b>
<b>3. Others</b>		
a. Private Corporate Bodies	5,133,781	3.87
b. Indian Public	5,192,612	3.92
c. NRIs/OCBs	1,272,511	0.96
d. Directors & Relatives (not in control of the Company)	—	—
<b>Total</b>	<b>11,598,904</b>	<b>8.75</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 2015**

Shareholding Class	No. of shareholders	No. of shares held	Shareholding %
Upto 2,500	39,937	4,559,023	3.44
2,501 to 5,000	178	629,826	0.48
5,001 to 10,000	92	691,672	0.52
10,001 to 20,000	52	759,821	0.57
20,001 to 30,000	30	751,792	0.57
30,001 to 40,000	8	292,308	0.22
40,001 to 50,000	8	382,456	0.29
50,001 to 100,000	41	3,026,661	2.28
100,001 and above	93	121,463,484	91.63
<b>Total</b>	<b>40,439</b>	<b>132,557,043</b>	<b>100.00</b>

## 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.

## INVESTOR CORRESPONDENCE ADDRESS

At the Company's Registered Office Address	At the Registrar's Address
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	LINK INTIME INDIA PRIVATE LIMITED 59C Chowringhee Road 3rd Floor Kolkata - 700 020 Tel No. : 2289 0540 Fax No. : 2289 0539 E-mail : kolkata@linkintime.co.in Website : www.linkintime.co.in

## COMPLIANCE OFFICER FOR INVESTOR REDRESSAL

Mr Subhasis Mitra, Company Secretary, is the Compliance Officer for investor related matters.

## 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 2015 (₹)
2007-08	1 August 2008	30 August 2015	22,11,145.00
2008-09	27 July 2009	26 August 2016	24,71,593.00
2009-10	1 August 2010	30 August 2017	21,64,651.00
2010-11	1 August 2011	30 August 2018	18,45,972.00
2011-12	1 August 2012	30 August 2019	32,70,031.00
2012-13	29 July, 2013	28 August, 2020	35,15,477.00
2013-14	1 August, 2014	30 August, 2021	38,36,952.00

During the year, an amount of ₹ 15,94,420/- was transferred to IEPF on 28 August, 2014. 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, 21 May 2015

## DECLARATION

As required under the relevant provisions of the Listing Agreement entered into by the Company with the Stock Exchanges, it is confirmed that all Directors and Senior Management Officers have affirmed compliance of the Code of Business Conduct and Ethics during the year 2014-15.

Aniruddha Basu  
Managing Director

Kolkata, 21 May 2015

# Annual Report on Corporate Social Responsibility Activities

undertaken during the year ended 31 March 2015 (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 is committed to identifying and supporting programmes aimed at provision of access to basic healthcare services/facilities, safe drinking water & sanitation and conducting health awareness camps - Empowerment of the disadvantaged sections of society through promoting inclusive education for all, as well as through livelihood generation and skill development - Supporting environmental and ecological balance through energy conservation, adoption of initiatives resulting into Greenhouse Gas Emissions (GHG) reduction and transformation into a low carbon business practices - Undertaking livelihood generation/promotion and women empowerment projects - Any other programme that falls under the Company's CSR Policy and is aimed at the empowerment of disadvantaged sections of the society - Undertaking / supporting sports activities and programmes of art and culture in various forms.

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 Directors' Report.

2. Composition of the CSR Committee

The CSR Committee consists of Mr. S. 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 : ₹ 758.17
4. Prescribed CSR Expenditure (two per cent of the above amount as in item 3 above) is ₹ 15.16 crores.
5. (a) Total amount to be spent for the financial year 2014-15 is ₹ 15.16 crores.  
(b) Unspent amount for financial year 2014-15 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 <b>Sub-heads;</b> 1) Direct expenditure on projects or programs. 2) Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency
1.	CESC Learning Labs (Setting up of computer-aided Science and Maths Labs)	Education	Kolkata, Hooghly, North and South 24 Parganas, West Bengal	22,97,010	(1) 22,91,040 (Direct) (2) 5,040 (Overheads)	22,96,080	(1) Through Implementing Agency (NIIT Ltd.) (2) Direct
2.	Anganwadi Adoption Programme	Education	Garden Reach (Kolkata), West Bengal	2,01,380	(1) 1,96,388 (Direct)	1,96,388	Through Implementing Agency (CII Foundation)
3.	Nirmal Abhiyan (WASH in Schools Programme)	Education	Kolkata, West Bengal	30,29,750	(1) 29,39,750 (Direct)	29,39,750	Through Implementing Agency (CLPOA)
4.	Muktangan (Remedial Education Programme)	Education	Titagarh (North 24 Parganas) and Budge Budge (South 24 Parganas), West Bengal	18,70,000	(1) 18,40,003 (Direct) (2) 20,000 (Overheads)	18,60,003	(1) Through Implementing Agency (NMCS) (2) Direct

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs <b>Sub-heads;</b> 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	Titagarh (North 24 Parganas), Budge Budge (South 24 Parganas) and Garden Reach (Kolkata), West Bengal	2,50,000	(1) 2,50,000 (Direct)	2,50,000	Direct
6.	Infrastructure development work at Titagarh Andhra Vidyalayam and Titagarh Arya Vidyalaya (School Build Programme)	Education	Titagarh (North 24 Parganas) West Bengal	9,68,795	(1) 9,88,795 (Direct)	9,88,795	Direct
7.	Provision of benches to Rajibpur High School and Purba Pujali Uchcha Mukta Vidyalaya (School Build Programme)	Education	Budge Budge (South 24 Parganas), West Bengal	2,13,603	(1) 2,33,603 (Direct)	2,33,603	Direct
8.	Provision of Drinking Water to Pujali Raghunathpur Vidyalaya and Pujali Rajarampur Vidyalaya (School Build Programme)	Education	Budge Budge (South 24 Parganas), West Bengal	30,000	(1) 22,980 (Direct)	22,980	Direct
9.	Upgradation of Laboratory of Budge Budge Uchcha Balika Vidyalaya (School Build Programme)	Education	Budge Budge (South 24 Parganas), West Bengal	2,30,675	(1) 2,25,675 (Direct) (2) 4,000 (Overheads)	2,29,675	Direct
10.	Suswasthya (Community Health Project)	Health	Kamarhati (North 24 Parganas), Bhadreswar and Champdani (Hooghly), West Bengal	8,00,000	(1) 7,99,750 (Direct)	7,99,750	Through Implementing Agency (ASHA)
11.	Hamari Sehat (Maternal and Child Health Project)	Health	Garden Reach (Kolkata), West Bengal	7,19,500	(1) 7,09,475 (Direct)	7,09,475	Through Implementing Agency (CLPOA)
12.	Setting up of Healthcare Unit	Health	Kolkata, West Bengal	12,10,10,000	(1) 12,10,10,000 (Direct)	12,10,10,000	Through RP Sanjiv Goenka Group CSR Trust
13.	Healthcare Unit	Health	Kolkata, West Bengal	1,00,00,000	(1) 1,00,00,000 (Direct)	1,00,00,000	Through Nature Cure and Yoga Centre
14.	Urja Chetana (Environment and Energy Education Programme)	Environment	Kolkata, Hooghly, North and South 24 Parganas, West Bengal	10,40,993	(1) 10,38,933 (Direct)	10,38,933	Through Implementing Agency (CEE)
15.	Nabadiganta (Plantation and Livelihood)	Environment	Budge Budge, South 24 Parganas, West Bengal	6,60,000	(1) 6,50,000 (Direct)	6,50,000	Through Implementing Agency (CEE)

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 <b>Sub-heads;</b> 1) Direct expenditure on projects or programs. 2) Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency
16.	City Greening Project (Maintenance of plants on certain roads of Kolkata)	Environment	Kolkata, West Bengal	28,65,000	(1) 28,67,000 (Direct)	28,67,000	Through Implementing Agency (The Kolkata Municipal Corporation)
17.	Development of Children's Park	Environment	Titagarh (North 24 Parganas), West Bengal	4,62,663	(1) 4,82,663 (Direct)	4,82,663	Direct
18.	Support for participation of mentally challenged students in Abilympics Meet, Chandigarh	Community Development	Budge Budge, South 24 Parganas, West Bengal	20,000	(1) 15,176 (Direct)	15,176	Through Implementing Agency (Antaranga Manasik Pratibandhi Mahila Vidyaniketan)
19.	Alor Disha (Livelihood Generation Programme for Mentally Challenged Girls)	Community Development	Budge Budge (South 24 Parganas), West Bengal	12,48,000	(1) 12,47,400 (Direct)	12,47,400	Through Implementing Agency (KSDF)
20.	Community Water and Sanitation Programme	Community Development	Titagarh (North 24 Parganas), West Bengal	40,682	(1) 38,682 (Direct)	38,682	Through Implementing Agency (BUP)
21.	Ek Kadam (Livelihood Generation Programme)	Community Development	Garden Reach (Kolkata), West Bengal	13,70,567	(1) 13,16,530 (Direct) (2) 53,037 (Overheads)	13,69,567	(1) Through Implementing Agency (KSDF) (2) Direct
22.	Nirmal Sankalp (Community Water and Sanitation Programme)	Community Development	Titagarh (North 24 Parganas), West Bengal	15,29,000	(1) 15,28,100 (Direct)	15,28,100	Through Implementing Agency (WFPIT)
23.	CESC-DRF LABS Programme (Skill building & Employment Generation Programme)	Community Development	Howrah, West Bengal	8,30,415	(1) 8,11,275 (Direct) (2) 18,140 (Overheads)	8,29,415	(1) Through Implementing Agency (2) Direct
<b>TOTAL</b>						<b>1,51,603,435</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.

Aniruddha Basu  
 Managing Director and Member, CSR Committee

Sanjiv Goenka  
 Chairman, CSR Committee

Kolkata, 21 May 2015

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED - 31.03.2015

[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]

The Members,

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

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors' Report on Financial Statements and Compliance of the 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 31.03.2015 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 for the financial year ended on 31.03.2015 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. The 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, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 : 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 instances were reported 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 : not yet applicable.
- ii. The Listing Agreements entered into by the Company with BSE Limited, The Calcutta Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above subject to 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 ₹ 12.10 crores was contributed to the Trust towards CSR activities.

Total amount required to be spent by the Company on CSR was ₹ 15.16 crores and this full amount was spent during the year under report.

2. Section 186 of the Act 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 Director, 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, if any.
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

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

1. Issue and allotment of 76,21,118 equity shares of ₹ 10/- each for cash under QIP at a premium of ₹ 634/- per share to QIBs on 05.11.2014.
2. Pursuant to allocation of the Sarishatolli Coal Block in the state of West Bengal to the Company in 1993 by the Ministry of coal, Government of India, a portion of the Company's Coal requirement has been made since October, 2002 from the production of the said mine. By the judgment dated 25th August, 2014 read with its order dated 24th September, 2014 of the Hon'ble Supreme Court of India in Coal Block Allocation, the process of allocation of coal blocks adopted by the Government of India in vogue since 1993, was held to be wanting in material respects which resulted in the Hon'ble Apex Court cancelling most of the allocations made under that process, including the aforesaid Sarishatoli Coal Block and even those to Central as well as State public sector undertakings. Moreover, payment of an additional levy in respect of coal extracted from the said mine(s) was directed under the aforesaid judgment, which in the above referred case worked out to ₹ 1045 crore up to the effective date of cancellation i.e 31st March, 2015.

Thereafter we have been informed inter-alia that following the Auction conducted by the Ministry of Coal, Government of India, under the provisions of applicable laws, the Company has been allotted the above Coal Block effective 1st April, 2015.

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 : 21 May 2015

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

Sd/- S. M. Gupta

S. M. Gupta & Co.

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 were appropriate to obtain reasonable assurance about the fairness of the contents of the Secretarial records. The verification was done on test basis to ensure that facts are reflected in secretarial records. 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis 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 : 21 May 2015

Sd/- S. M. Gupta  
S. M. Gupta & Co.  
FCS No.: 896  
C P No. : 2053

# Particulars as required under Section 134 of the Companies Act, 1956 (Annexure 'F' to Directors' Report)

Particulars relating to Conservation of Energy, Technology Absorption etc. for the year ended 31 March 2015.

## A. CONSERVATION OF ENERGY

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

- Reactive power compensation by way of installing shunts capacitor banks at various voltage levels of Distribution Network. During the year, 35 MVAR shunt capacitors were added.
- 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.
- Continued augmentation of Substation plant capacity and laying new underground and overhead lines.
- Induction of energy efficient Distribution Transformers with low losses by including Loss Capitalization as a bid evaluation criterion as an ongoing process.
- Progressive Voltage upgrade of Distribution Lines and Transformers from 6 kV to 11 kV to lower losses including introduction of Dual ratio transformers.

- Additional investment/proposals**

During the year, 220 kV/132kV/33kV New Cossipore Substation (NCSS) was commissioned with 220 kV UG cable connectivity to EM Substation which brings power to NCSS from 400/220 kV Subhasgram Substation of PGCIL in turn fed from the newly commissioned Haldia TPS through 400 kV Double Circuit Transmission Lines. This has enabled permanent cessation of generation at the 65 year old New Cossipore Generating Station.

- To enable enhanced power transmission across the River Hoogly a 220 kV River crossing lines (Double Circuit Zebra conductors) between NCSS and Belur Receiving Station (BRS) has been commissioned. This is being used at 33 kV for now. In future, with proposed new import point in Howrah area this link would be able to push bulk power to Kolkata through NCSS.
- The 2nd EMSS-NCSS 220 kV circuit, to provide power corridor for Haldia power to North Kolkata, which has already been laid till Princep Street during the financial year 2014-15, is proposed to be extended towards NCSS and completed by early next financial year i.e. 2016-17. This 270 MVA/220 kV cable will be augmenting the existing similar cable from EMSS to NCSS but will also Loop In Loop Out at proposed 220 kV Princep Street Substation.
- Commissioning of 132/33kV 150 MVA Patuli Substation in 2015-16.
- Commissioning of 132/33kV 150 MVA Park Circus

underground GIS Substation (75 MVA in FY 2015/16) which is the first of its kind in India.

- Continuation of Distribution asset space consolidation plans at 132/33 kV Botanical Garden and East Calcutta Substations are in progress by conversion of the existing 132/33kV outdoor installations at these stations to Integrated Indoor GIS Substations thereby enhancing reliability of the stations with renewal of aged-old assets as well as upgradation of transformation Capacities at these stations with provision for upgrading to 220kV in future. Work at East Calcutta Substation is expected to be completed in FY 2015-16 and at Botanical garden Substation by FY 2016-17.
- Laying of a 2nd 132kV Cable circuit between WBSETCL Rishra Substation and West Bank Receiving Station.
- Construction of new building for Mulajore Substation and replacement of the age-old 33kV bulk oil switchboards with 33kV new generation GIS switchboards.
- In FY 2015-16 there are plans to add about 350 MVA Substation capacity, about 170 MVA Distribution Station Capacity, about 15 ckm EHV lines and about 40 ckm 33 kV lines. This work would also entail adding about 32 Nos 132 kV GIS panels and 34 Nos 33 kV GIS panels.
- Installation of remote metering AMR at selected MVAC sources for energy audit/condition monitoring as an ongoing process.
- Installation and commissioning of Energy Audit System with AMR enabled meters at Substations and Distribution Stations for computation of system loss in Howrah Region.

- Impact of the measures**

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

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

## B. TECHNOLOGY ABSORPTION

Distribution Automation

- Successful Last Mile Communication trials for RMU Automation and Smart-Metering through RF-Mesh technology.

2. New Initiatives include :

- a. Using in-house developed 'SMS Devices' for Semi-Automation of 70 nos RMUs. Also providing low-cost remote alarms for 4 nos. unmanned Distribution Stations; such alarms were previously provided through VHF Sets, which are becoming obsolete.
- b. Low-cost developmental activity for integration of old Point-to-Point SCADA systems with Distribution Management System (DMS).

The Smart Grid Feasibility Study under Grant from United States Trade & Development Agency was completed this year by M/s Tetrattech and ESTA International. Based on the recommendations, it is proposed to prepare a set of RFPs (Request for Proposals) for a new SCADA system with Outage

Management features, relevant Telecommunication packages and a Proof of Concept trial for Enterprise Application Integration.

**Research & Development**

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

There has been foreign exchange earnings during the year of ₹ 0.05 crore (previous year - ₹ 3.00 crore) on account of income from consultancy. The foreign exchange outgo during the year amounted to ₹ 138.08 crore (previous year - ₹ 168.65 crore) which included fuel charges, dividend to non-resident shareholders, Luxembourg Stock Exchange fees, travelling expenses etc.

For and on behalf of the Board of Directors

Kolkata, 21 May 2015

Sanjiv Goenka  
Chairman

# 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, 2015

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

<b>I. REGISTRATION AND OTHER DETAILS</b>		
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
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>		
All the business activities contributing 10% or more of the total turnover of the company		As per Attachment A
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>		As per Attachment B
<b>IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)</b>		
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
<b>V. INDEBTEDNESS</b>		
Indebtedness of the Company including interest outstanding/accrued but not due for payment		As per Attachment H
<b>VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL</b>		
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
<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES</b>		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 (90% subsidiary of SRL)	Duncan House 31 Netaji Subhas Road Kolkata -700001	U15411WB2008PLC124062	Subsidiary	90.00	2(87)
4	CESC Properties Limited (CPL)	CESC House Chowringhee Square Kolkata 700 001	U70101WB2006PLC108175	Subsidiary	100.00	2(87)
5	Metromark Green Commodities Private Limited (100% subsidiary of CPL)	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	56.13	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. (FG USA) (100% subsidiary of FSL)	160 Greentree Drive, Dover Delaware 19904, USA	Foreign Company	Subsidiary	56.13	2(87)
19	Firstsource BPO Ireland Ltd. (100% subsidiary of FSL)	Stokes Place Saint Stephen's Green Dublin 2, Ireland	Foreign Company	Subsidiary	56.13	2(87)
20	Firstsource Solutions UK Ltd. (FS UK) (100% subsidiary of FSL)	Space One, 1 Beadon Road London W6 0EA, UK	Foreign Company	Subsidiary	56.13	2(87)
21	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	U72200KA2010ELC055713	Subsidiary	56.13	2(87)
22	Firstsource-Dialog Solutions Pvt. Ltd. (74% subsidiary of FSL)	No. 234, Vauxhall Street Colombo-2, Sri Lanka	Foreign Company	Subsidiary	41.54	2(87)
23	Firstsource Business Process Services, LLC (FB PS) (100% subsidiary of FG USA)	160 Greentree Drive, Dover Delaware 19904, USA	Foreign Company	Subsidiary	56.13	2(87)
24	Firstsource Solutions USA, LLC (FS USA) (100% subsidiary of MH Inc.)	160 Greentree Drive, Suit 101, Dover, County of Kent, Delaware 19904, USA	Foreign Company	Subsidiary	56.13	2(87)
25	Firstsource Advantage, LLC (FA) (100% subsidiary of FBPS)	C T Corporation System 111 Eighth Avenue USA, New York 10011	Foreign Company	Subsidiary	56.13	2(87)
26	Firstsource Transaction Services, LLC (100% subsidiary of FS USA)	1661 Lyndon Farm Court, Louisville, Kentucky 40223, USA	Foreign Company	Subsidiary	56.13	2(87)
27	Firstsource Solutions S.A. (Argentina) (99.98% subsidiary of FS UK)	San Martin 344, 4th Floor Buenos Aires, Argentina	Foreign Company	Subsidiary	56.11	2(87)
28	Medassit Holding LLC (100% subsidiary of FG USA)	9 East Loockerman, Suite 1B Dover, Delaware, County of Kent 19901, USA	Foreign Company	Subsidiary	56.13	2(87)
29	One Advantage LLC, USA (100% subsidiary of FBPS)	C T Corporation System 208 SO Lasalle St, Suite 814 Chicago, IL 60604, USA	Foreign Company	Subsidiary	56.13	2(87)
30	Crescent Power Limited	6 Church Lane Kolkata 700001	U70101WB2004PLC099945	Subsidiary	51.17	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	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 1.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% 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	0.23	284222	—	284222	0.22	(0.01)
(b) Central Govt	—	—	—	—	—	—	—	0.00	—
(c) State Govt (s)	—	—	—	—	—	—	—	0.00	—
(d) Bodies Corp.	65288087	—	65288087	52.26	65329422	—	65329442	49.28	(2.98)
(e) Banks / FI	—	—	—	—	—	—	—	0.00	—
(f) Any Other	—	—	—	—	—	—	—	—	—
<b>Sub-total (A) (1)</b>	65572309	—	65572309	52.49	65613644	—	65613644	49.50	(2.99)
<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>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	65572309	—	65572309	52.49	65613644	—	65613644	49.50	(2.99)
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	18332016	6690	18338706	14.68	16772270	5740	16778010	12.66	(2.02)
(b) Banks / FI	585062	17460	602522	0.48	199810	17833	217643	0.16	(0.32)
(c) Central Govt/ State Govt	—	—	—	—	—	—	—	—	—
(d) Venture Capital Funds	—	2152	2152	—	—	2152	2152	—	—
(e) Insurance Companies	—	—	—	—	—	—	—	—	—
(f) FIs	1305715	1100	1306815	1.04	1736964	1100	1738064	1.31	0.27
(g) Foreign Venture Capital Funds	28620630	8702	28629332	22.92	31884533	8802	31893335	24.06	1.14
(h) Qualified Foreign Investor	—	—	—	—	—	—	—	—	—
(i) Others	24317	—	24317	0.02	4718893	—	4718893	3.56	3.54
<b>Sub-total (B)(1)</b>	48867740	36104	48903844	39.14	55312470	35627	55348097	41.75	2.61
<b>2. Non-Institutions</b>									
(a) Bodies Corporate									
(i) Indian	2236672	2825765	5062437	4.05	2641982	2859496	5501478	4.15	0.10
(ii) Overseas	—	—	—	—	—	—	—	—	—
(b) Individuals	3125084	1498134	4623218	3.70	3607682	1415772	5023454	3.79	0.09
(i) Individual Shareholders holding nominal share capital up to ₹ 1 lakh									

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% 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	425662	294794	720456	0.58	748227	268632	1016859	0.77	0.19
(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>	5787418	4618693	10406111	8.33	6997891	4543900	11541791	8.71	0.38
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	54655158	4654797	59309955	47.47	62310361	4579527	66889888	50.46	2.99
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	37260	16401	53661	0.04	37260	16251	53511	0.04	—
<b>Grand Total (A+B+C)</b>	120264727	4671198	124935925	100.00	127961265	4595778	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 share-holding 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	Adapt Investments Ltd	2502943	2.00	—	—	—	—	—
2	Adorn Investments Limited	1085050	0.87	—	—	—	—	—
3	Goodluck Dealcom Private Limited	1686198	1.35	—	1686198	1.27	—	0.08
4	Integrated Coal Mining Limited	760000	0.61	—	760000	0.57	—	0.04
5	Off Shore India Limited	1359296	1.09	—	—	—	—	—
6	Rainbow Investments Limited	31058414	24.86	—	58553331	44.17	—	19.31
7	Saregama India Limited	1544988	1.24	—	1259988	0.95	—	0.29
8	Spencer and Co. Ltd	250000	0.20	—	250000	0.19	—	0.01
9	Trade Apartments Ltd	1636896	1.31	—	—	—	—	—
10	Ujala Agency Private Limited	3119311	2.50	—	—	—	—	—

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	Universal Industrial Fund Limited	17791421	14.24	–	–	–	–	–
12	Stel Holdings Ltd	2493470	1.99	–	2493470	1.88	–	0.11
13	Zensar Technologies Limited	100	0.00	–	100	0.00	–	–
14	Avarna Goenka	501	0.00	–	501	0.00	–	–
15	Preeti Goenka	25223	0.02	–	25223	0.02	–	–
16	Sanjiv Goenka	258498	0.21	–	258498	0.20	–	0.01
17	Kolkata Metro Networks Limited	–	–	–	285000	0.22	–	0.22
18	Dotex Merchandise Private Limited	–	–	–	41335	0.03	–	0.03
<b>Total</b>		<b>65572309</b>	<b>52.49</b>	<b>–</b>	<b>65613644</b>	<b>49.50</b>	<b>–</b>	<b>2.99</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		Cumulative Shareholding during the year	
		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>65572309</b>	<b>52.49</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>65613644</b>	<b>49.50</b>

Note : The decrease in % total shares of the company from 52.49% to 49.50% is due to allotment of 7621118 equity shares to Qualified Institutional Buyers

Sl. No.		Shareholding		Date	Increase/ Decrease in Share-holding	Reason	Cumulative Shareholding during the (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	ADAPT INVESTMENTS LTD	2502943	2.00	01.04.2014 14.11.2014 31.03.2015	(2502943)	Amalgamation	–	–
2.	ADORN INVESTMENT LIMITED	1085050	0.87	01.04.2014 14.11.2014 31.03.2015	(1085050)	Amalgamation	–	–
3.	GOODLUCK DEALCOM PRIVATE LIMITED	1686198 1686198	1.35 1.27	01.04.2014 31.03.2015			1686198	1.27
4.	INTEGRATED COAL MINING LIMITED	760000 760000	0.61 0.57	01.04.2014 31.03.2015			760000	0.57
5.	OFF SHORE INDIA LTD	1359296	1.09	01.04.2014 14.11.2014 31.03.2015	(1359296)	Amalgamation	–	–
6.	RAINBOW INVESTMENTS LIMITED	31058414 58553331	24.86 44.17	01.04.2014 10.11.2014 31.03.2015	27400000	Market Purchase	– 58553331	– 44.17
7.	SEREGAMA INDIA LIMITED	1544988 1259988	1.24 0.95	01.04.2014 27.03.2015 31.03.2015	(285000)	Transfer	1259988 1259988	0.95 0.95
8	SPENCER AND CO. LTD	250000 250000	0.20	1.04.2014 31.03.2015			250000	0.19
9.	TRADE APARTMENTS LTD	1636896	1.31	01.04.2014 14.11.2014 31.03.2015	(1636896)	Amalgamation	–	–
10.	UJALA AGENCY PRIVATE LIMITED	3119311	2.50	1.04.2014 14.11.2014 31.03.2015	(3119311)	Amalgamation	–	–
11.	UNIVERSAL INDUSTRIAL FUND LIMITED	17791421	14.24	01.04.2014 14.11.2014 31.03.2015	(17791421)	Amalgamation	–	–
12.	STEL HOLDINGS LTD	2493470 2493470	2.00 1.88	01.04.2014 31.03.2015			2493470	1.88
13.	ZENSAR TECHNOLOGIES LIMITED	100 100	– –	01.04.2014 31.03.2015			100	–
14.	KOLKATA METRO NETWORKS LIMITED	– 285000	– 0.22	01.04.2014 31.03.2015			285000	0.22
15.	DOTEX MERCHANDISE PRIVATE LIMITED	– 41335	– 0.03	01.04.2014 31.03.2015			41335	0.03
17.	AVARNA GOENKA	501 501	– –	01.04.2014 31.03.2015			501	–
18.	PREETI GOENKA	25223 25223	0.02 0.02	01.04.2014 31.03.2015			25223	0.02
19.	SANJIV GOENKA	258498 258498	0.21 0.20	01.04.2014 31.03.2015			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 share-holding	Reason	Cumulative Shareholding during the (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	HDFC TRUSTEE COMPANY LIMITED - HDFC INFR	11205021	8.97	01.04.2014	—	—	—	—
		11205021	8.45	31.03.2015	—	—	11205021	8.45
2.	NATIONAL WESTMINSTER BANK PLC AS DEPOSIT	5200000	4.16	01.04.2014	—	—	—	—
				30.05.2014	(460000)	Market Sale	4740000	3.79
				08.08.2014	128215	Market Purchase	4868215	3.90
				15.08.2014	48890	Market Purchase	4917105	3.93
				16.01.2015	(226810)	Market Sale	4690295	3.54
		4690295	3.54	31.03.2015	—	—	4690295	3.54
3.	BNK CAPITAL MARKETS LTD	3005917	2.41	01.04.2014	—	—	—	—
		3005917	2.27	31.03.2015	—	—	3005917	2.27
4.	SBI MAGNUM TAXGAIN SCHEME	2400000	1.92	01.04.2014	—	—	—	—
				10.10.2014	(400000)	Market sale	2000000	1.60
				20.02.2015	(200000)	Market Sale	1800000	1.36
				27.02.2015	(129000)	Market Sale	1671000	1.26
				06.03.2015	(71000)	Market Sale	1600000	1.21
		1600000	1.21	31.03.2015	—	—	1600000	1.21
5.	M&G ASIAN FUND	2315000	1.85	01.04.2014	—	—	—	—
				25.04.2014	(105000)	Market Sale	2210000	1.77
				30.05.2014	(400000)	Market Sale	1810000	1.45
				08.08.2014	45811	Market Purchase	1855811	1.48
				15.08.2014	17440	Market Purchase	1873251	1.50
		1793754	1.35	21.11.2014	(59476)	Market Sale	1813775	1.37
				05.12.2014	(20021)	Market Sale	1793754	1.35
				31.03.2015	—	—	1793754	1.35
6.	SMALLCAP WORLD FUND, INC	2250000	1.80	01.04.2014	—	—	—	—
				09.05.2014	1009861	Market Purchase	3259861	2.61
				16.05.2014	77684	Market Purchase	3337545	2.67
				23.05.2014	279481	Market Purchase	3617026	2.89
				30.05.2014	821010	Market Purchase	4438036	3.55
				19.06.2014	73111	Market Purchase	4511147	3.61
				30.06.2014	10685	Market Purchase	4521832	3.62
				10.06.2014	1722000	Market Purchase	6243832	4.99
				14.11.2014	220930	Market Purchase	6464762	4.88
				21.11.2014	151070	Market Purchase	6615832	4.99
		6615832	4.99	31.03.2015	—	—	6615832	4.99

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company				No. of shares	% of total shares of the Company
7.	GOLDMAN SCHS INVESTMENTS (MAURITIUS)	2183679	1.67 11.04.2014	01.04.2014	—	—	—	—
				(95405)	Market Sale	2088274	1.67	—
				18.04.2014	(99046)	Market Sale	1989228	1.59
				23.05.2014	(800000)	Market Sale	1189228	0.95
				30.05.2014	(345391)	Market Sale	843837	0.67
				06.06.2014	(407968)	Market Sale	435869	0.35
				13.06.2014	( 85620)	Market Sale	350249	0.28
				19.06.2014	(124297)	Market Sale	225952	0.18
				30.06.2014	(225952)	Market Sale	—	0.00
8.	MET INVESTORS SERIES TRUST-MFS EMERGING	1712299	1.37	01.04.2014	—	—	—	—
				02.05.2014	(130323)	Market Sale	1581976	1.27
				09.05.2014	22680	Market Purchase	1604656	1.28
				13.06.2014	(23886)	Market Sale	1580770	1.26
				20.06.2014	(83735)	Market Sale	1497035	1.20
				18.07.2014	(224183)	Market Sale	1272852	1.02
				08.08.2014	(19245)	Market Sale	1253607	1.00
				19.09.2014	(18273)	Market Sale	1235334	0.99
				10.11.2014	126494	Market Purchase	1361828	1.03
				05.12.2014	(10084)	Market Sale	1351744	1.02
				13.02.2015	11467	Market Purchase	1363211	1.03
				13.03.2015	8325	Market Purchase	1371536	1.03
				31.03.2015	—	—	1371536	1.03
		1371536	1.03					
9.	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A	1646490	1.32	01.04.2014	—	—	—	—
				18.04.2014	13000	Market Purchase	1659490	1.33
				25.04.2014	(8550)	Market Sale	1650940	1.32
				02.05.2014	(24767)	Market Sale	1626173	1.30
				09.05.2014	5545	Market Purchase	1631718	1.31
				16.05.2014	4500	Market Purchase	1636218	1.31
				23.05.2014	93283	Market Purchase	1729501	1.38
				30.05.2014	(109200)	Market Sale	1620301	1.30
				06.06.2014	(436502)	Market Sale	1183799	0.95
				13.06.2014	(44327)	Market Sale	1139472	0.91
				19.06.2014	(42523)	Market Sale	1096949	0.88
				30.06.2014	184198	Market Purchase	1281147	1.02
				04.07.2014	201525	Market Purchase	1482672	1.19
				18.07.2014	(246848)	Market Sale	1235834	0.99
				25.07.2014	(21718)	Market Sale	1214106	0.97
				08.08.2014	(30054)	Market Sale	1184052	0.95
				15.08.2014	(222808)	Market Sale	961244	0.77
				22.08.2014	91343	Market Purchase	1052587	0.84
				29.08.2014	(189003)	Market Sale	863584	0.69
				05.09.2014	2759	Market Purchase	866343	0.69
				12.09.2014	636	Market Purchase	866979	0.69
				19.09.2014	(206614)	Market Sale	660365	0.53
				30.09.2014	175214	Market Purchase	835579	0.67
				17.10.2014	(17500)	Market Sale	818079	0.65

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company				No. of shares	% of total shares of the Company
				20.10.2014	(9093)	Market Sale	808986	0.65
				27.10.2014	98704	Market Purchase	907690	0.73
				07.11.2014	(12644)	Market Sale	895046	0.67
				10.11.2014	32793	Market Purchase	927839	0.70
				14.11.2014	59000	Market Purchase	986839	0.74
				21.11.2014	(74057)	Market Sale	912782	0.69
				28.11.2014	58610	Market Purchase	971392	0.73
				05.12.2014	119287	Market Purchase	1090679	0.82
				12.12.2014	4620	Market Purchase	1095299	0.83
				19.12.2014	7970	Market Purchase	1103269	0.83
				31.12.2014	(5146)	Market Sale	1098123	0.83
				09.01.2015	(179014)	Market Sale	919109	0.69
				16.01.2015	(7523)	Market Sale	911586	0.69
				30.01.2015	14314	Market Purchase	925900	0.70
				06.02.2015	228634	Market Purchase	1154534	0.87
				13.02.2015	(166852)	Market Sale	987682	0.74
				20.02.2015	199145	Market Purchase	1186827	0.89
				27.02.2015	47814	Market Purchase	1234641	0.93
				13.03.2015	117612	Market Purchase	1352253	1.02
				22.03.2015	4934	Market Purchase	1357187	1.02
				31.03.2015	(11500)	Market Sale	1345687	1.02
		1345687	1.02	31.03.2015	—	—	—	1.02
10.	GMO EMERGING DOMESTIC OPPORTUNITIES FUND	1349773	1.08	01.04.2014	—	—	—	—
				02.05.2014	(143576)	Market Sale	1206197	0.91
				09.05.2014	(1206197)	Market Sale	—	0.00
				16.05.2014	167324	Market Purchase	167324	0.13
				23.05.2014	230987	Market Purchase	398311	0.32
				30.05.2014	145810	Market Purchase	544121	0.43
				14.06.2014	29611	Market Purchase	573732	0.46
				30.06.2014	374354	Market Purchase	948096	0.76
				18.07.2014	88306	Market Purchase	1036392	0.83
				25.07.2014	(126472)	Market Sale	909920	0.73
				10.11.2014	296883	Market Purchase	1206803	0.91
				06.02.2015	(109719)	Market Sale	1097084	0.83
				20.02.2015	(110666)	Market Sale	980418	0.74
		986418	0.74	31.03.15	—	—	986418	0.74
11.	INVESCO ASIA INFRASTRUCTURE FUND	—	—	19.09.2014	417682	Market Purchase	417682	0.33
				30.09.2014	64966	Market Purchase	482648	0.39
				10.10.2014	(26864)	Market Sale	455784	0.36
				10.11.2014	375000	Market Purchase	830784	0.63
				21.11.2014	64333	Market Purchase	895117	0.67
				28.11.2014	133420	Market Purchase	1028537	0.77
				06.02.2015	(15660)	Market Sale	1012877	0.76
				13.02.2015	136009	Market Purchase	1148886	0.87
				27.02.2015	74525	Market Purchase	1223411	0.92
		1223411	0.92	31.03.2015	—	—	1223411	0.92

Sl. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company				No. of shares	% of total shares of the Company
12.	MFS INTERNATIONAL NEW DISCOVERY FUND	0	0.00	–	–	–	–	0.00
				22.08.2014	105211	Market Purchase	105211	0.08
				29.08.2014	324527	Market Purchase	429738	0.34
				10.11.2014	78418	Market Purchase	508156	0.38
				13.03.2015	527560	Market Purchase	1035716	0.78
		1035716	0.78	31.03.2015	–	–	1035716	0.78

#### 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	0.21	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	0.21	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	4029.62	—	0.03	4029.65
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	31.71	—	—	31.71
<b>Total (i+ii+iii)</b>	<b>4061.33</b>	<b>—</b>	<b>0.03</b>	<b>4061.36</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1275.00	924.50	—	2199.50
• Reduction	(994.73)	—	(0.03)	(994.76)
<b>Net Change</b>	<b>280.27</b>	<b>924.50</b>	<b>(0.03)</b>	<b>1204.74</b>
<b>Indebtedness at the end 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>

**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	1.48	1.48
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.04	0.04
	(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	0.06	0.06
	<b>Total (A)</b>	<b>1.58</b>	<b>1.58</b>
	Ceiling as per the Act		46.75

**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	0.06	0.12	0.11	0.04	0.05	0.04	-	0.42
	(b) Commission	0.03	0.03	0.03	0.03	-	-	0.03	0.15
	(c) Others	-	-	-	-	-	-	-	-
	Total(1)	0.09	0.15	0.14	0.07	0.05	0.04	0.03	0.57
2	<b>Other Non Executive Directors</b>	S. Goenka	S. K. Pai*						
	(a) Fee for attending board and committee meetings	0.12	0.07	-	-	-	-	-	0.19
	(b) Commission	8.37	0.03	-	-	-	-	-	8.40
	(c) Others	-	-	-	-	-	-	-	-
	Total (2)	8.49	0.10	-	-	-	-	-	8.59
	Total (B) = (1+2)								9.16
	Total Managerial Remuneration								10.74
	Overall Ceiling as per the Act								109.79

\* Paid to IDBI Bank Limited, the nominating Institution.

**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	0.94	0.85	1.79
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.03	0.10	0.13
	(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	0.05	0.05	0.10
	Total	1.02	1.00	2.02

**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 Punishment Compounding			NONE NONE NONE		
<b>B. DIRECTORS</b> Penalty Punishment Compounding			NONE NONE NONE		
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding			NONE NONE NONE		

On behalf of the Board of Directors

Sanjiv Goenka  
Chairman

Kolkata, 21 May 2015

(1) The ratio of the remuneration (including sitting fees) of the Directors – Mr. A. Basu, Mr. P. Chaudhuri\*, Mr. C. K. Dhanuka, Mr. S. Goenka, Mr. K. Jairaj\*, Mr. P. K. Khaitan, Mr. B. M. Khaitan, Mr. S. N. Menon\*, Mr. S. K. Pai, and Ms. R. Sethi\* to the median remuneration of the employees of the Company for the financial year 2014-15 and increase in their remuneration during the said financial year (in percentage) is 24.08:1 (68%), 0.76:1 (NA), 2.14:1 (228%), 129.03:1 (8%), 0.61:1 (NA), 1.35:1 (187%), 2.30:1 (287%), 0.38:1 (0%), 1.44:1 (206%), and 1.02:1 (NA) respectively. The increase in remuneration of the Executive Director & CFO and the Company Secretary during the said financial year was 53% and 20% respectively. During the said financial year, there was an increase of 33.51 % in the median remuneration of employees on the rolls as at 31 March 2015. There were 9731 permanent employees on the rolls of Company as on the said date. (2) During the financial year 2014-15 the average increase in remuneration was 28.20%. 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 the Electricity Act, 2013 and Rules / Regulations framed thereunder. The increase in Profit after Tax during the year is 7%. The total remuneration of Key Managerial Personnel increased by 47.30 % in 2014-15. (3) The market capitalisation as on 31 March 2015 was ₹ 8004.45 crore (₹ 6262.41 crore as on 31 March 2014) and no public offer has been made since 1991. (4) Price Earnings ratio of the Equity Shares was 11.08 as at 31 March 2015 against 9.61 as at 31 March 2014. (5) The average percentage increase in the salaries of employees on the rolls as at 31 March 2015 (other than the managerial personnel) was 32.57 % whereas the increase in the managerial remuneration for the same financial year was 13.68 %. (6) 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. (7) There is no employee who receives remuneration in excess of that paid to the highest paid director during the year. (8) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

*\*was a Director for a part of the year.*

On behalf of the Board of Directors

Sanjiv Goenka  
Chairman

Kolkata, 21 May 2015

# Independent Auditors' Report

To the Members of CESC Limited



## Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of CESC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 auditor's 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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, 2015, 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 financial statements for the year ended March 31, 2015 relating to additional levy of Rs. 997.76 crore paid / provided pursuant to Coal Mine Special Provision Act, 2015 read with related Rules/ Ordinance, etc. and recognized as recoverable through tariff (as exceptional item and fuel cost) for reasons stated in the referred note. Our opinion is not qualified to this effect.

## Report on Other Legal and Regulatory Requirements

10. As required by 'The Companies (Auditor's Report) Order, 2015', 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 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.

# Independent Auditors' Report

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards 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, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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, 2015, on its financial position in its standalone financial statements - Refer Notes [23 (a) and 23 (c)(ii)];
  - ii. The Company did not have any foreseeable loss on long-term derivative contracts as at March 31, 2015. However, the Company has made provision, for such losses, as required under the applicable law or accounting standards, for other long-term contracts which were not material. - Refer Notes 38.
  - 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, 2015.

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

Sougata Mukherjee  
Partner  
Membership Number : 057084

Kolkata  
May 21, 2015

## Annexure 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 March 31, 2015

- 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. In our opinion, the frequency of verification is reasonable.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of energy. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed thereunder to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, 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 wealth 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 income tax as at March 31, 2015 which have not been deposited on account of disputes, 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
Income Tax Act, 1961	Income Tax and interest thereon	12.74	Assessment Year 2012-13	The Commissioner of Income Tax (Appeals)

- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix. 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 dues to any financial institution or bank or debenture holders as at the balance sheet date.

- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- xii. 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, except for certain instances of theft of electricity by third parties as noticed and reported by the loss control cell of the Company, the amount which is not ascertainable for which appropriate action, including recoveries, has been undertaken by the Management, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

Kolkata  
May 21, 2015

Sougata Mukherjee  
Partner  
Membership Number : 057084

# Balance Sheet as at 31st March, 2015



₹ in Crore

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	133.22	125.60
Reserves and surplus	4	7,946.70	6,913.00
		<b>8,079.92</b>	<b>7,038.60</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	3,182.93	2,803.52
Advance against Depreciation		859.58	776.90
Consumers' Security Deposits		1,408.11	1,279.96
Other long-term liabilities	6	1,845.05	1,641.14
Long-term provisions	7	160.94	140.52
		<b>7,456.61</b>	<b>6,642.04</b>
<b>Current liabilities</b>			
Short-term borrowings	8	1,141.08	575.58
Trade Payables	9	326.08	207.97
Other current liabilities	10	1,719.36	1,684.70
Short-term provisions	11	194.89	180.54
		<b>3,381.41</b>	<b>2,648.79</b>
<b>TOTAL</b>		<b>18,917.94</b>	<b>16,329.43</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	12	9,124.30	8,505.59
Intangible assets	13	109.53	113.33
Capital work-in-progress		261.68	410.46
		<b>9,495.51</b>	<b>9,029.38</b>
Non-current investments	14	3,758.34	3,191.09
Long-term loans and advances	15	1,343.02	1,251.93
Other non-current assets	16	611.20	122.33
		<b>15,208.07</b>	<b>13,594.73</b>
<b>Current assets</b>			
Current Investments	17	491.00	-
Inventories	18	405.46	345.55
Trade receivables	19	1,381.74	1,184.82
Cash and bank balances	20	737.74	781.39
Short-term loans and advances	21	204.18	200.55
Other current assets	22	489.75	222.39
		<b>3,709.87</b>	<b>2,734.70</b>
<b>TOTAL</b>		<b>18,917.94</b>	<b>16,329.43</b>
<b>Notes forming part of Financial Statements</b>	1 - 49		

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, 21st May, 2015

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, 2015

₹ in Crore

Particulars	Note No.	2014-15	2013-14
Revenue from operations	24	6,188.80	5,509.88
Other income	25	84.80	99.66
<b>Total Revenue</b>		<b>6,273.60</b>	<b>5,609.54</b>
<b>Expenses</b>			
Cost of electrical energy purchased		1,323.38	891.04
Cost of fuel	26	1,805.02	1,861.49
Employee benefit expenses	27	694.09	694.18
Finance costs	28	407.86	368.66
Depreciation and amortisation expenses	29	343.07	338.59
Other expenses	30	817.46	630.69
<b>Total expenses</b>		<b>5,390.88</b>	<b>4,784.65</b>
<b>Profit before exceptional item and tax</b>		<b>882.72</b>	<b>824.89</b>
Exceptional item (net)		896.73	—
Less : Credited (refer note 43)		(896.73)	—
<b>Profit before tax</b>		<b>882.72</b>	<b>824.89</b>
<b>Tax expenses :</b>			
Current		(185.00)	(173.00)
Deferred(net)		(197.57)	(172.72)
Recoverable/(Payable)		197.57	172.72
<b>Profit for the year - transferred to Surplus</b>		<b>697.72</b>	<b>651.89</b>
Earnings per share (Face Value of ₹ 10 per share) :			
Basic and Diluted	36	54.51	52.18
<b>Notes forming part of Financial Statements</b>	1 - 49		

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, 21st May, 2015

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, 2015

₹ in Crore

Particulars	2014-15	2013-14
<b>A. Cash flow from Operating Activities</b>		
Profit before Taxation	882.72	824.89
Adjustments for :		
Depreciation and amortisation expenses	343.07	338.59
Diminution in Value of Investment	2.43	—
Loss/(Profit) on sale / disposal of assets (net)	0.01	(0.25)
Gain on sale of current investments (net)	(30.33)	(15.62)
Dividend income	—	(0.60)
Amortisation of Miscellaneous expenditure	0.72	0.72
Bad debts / Advances made	36.32	26.51
Finance costs	407.86	368.66
Interest Income	(24.74)	(49.70)
Advance against depreciation	82.68	62.67
Share Issue Expenses	20.55	—
<b>Operating Profit before Working Capital changes</b>	<b>1,721.29</b>	<b>1,555.87</b>
Adjustments for :		
Trade & other receivables	(889.95)	246.47
Inventories	(59.90)	(20.14)
Trade and other payables	156.79	374.21
<b>Cash Generated from Operations</b>	<b>928.23</b>	<b>2,156.41</b>
Income Tax paid	(196.66)	(170.14)
<b>Net cash flow from Operating Activities</b>	<b>731.57</b>	<b>1,986.27</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets / Capital Work-in-Progress	(960.68)	(920.63)
Proceeds from Sale of Fixed Assets	8.07	7.86
Investment in Subsidiaries and Joint Ventures	(569.65)	(1,094.50)
Sale/(purchase) of Current Investments (net)	(460.67)	100.62
Redemption of Long Term Investments	—	30.00
Dividend received	—	0.60
Interest received	44.22	57.54
Advance to bodies corporate for share subscription	(2.00)	—
Advance to subsidiaries, joint venture for share subscription	(31.99)	(20.19)
<b>Net cash used in Investing Activities</b>	<b>(1,972.70)</b>	<b>(1,838.70)</b>

# Cash Flow Statement for the year ended 31st March, 2015

₹ in Crore

Particulars	2014-15	2013-14
<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 )	1,275.00	770.00
Repayment of Long Term Borrowings	(626.91)	(601.23)
Repayment of Public Deposits	(0.03)	(0.44)
Net increase / (decrease) in Cash Credit facilities and other Short Term Borrowings	565.50	83.39
Capital Contributions and Advance received from Consumers	65.94	106.54
Finance Costs paid	(435.50)	(393.75)
Dividend paid	(99.78)	(87.22)
Dividend tax paid	(16.99)	(14.86)
<b>Net Cash flow from Financing Activities</b>	<b>1,197.48</b>	<b>(137.57)</b>
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>(43.65)</b>	<b>10.00</b>
<b>Cash and Cash equivalents - Opening Balance [Refer Note (c) below]</b>	<b>781.39</b>	<b>771.39</b>
<b>Cash and Cash equivalents - Closing Balance [Refer Note (c) below]</b>	<b>737.74</b>	<b>781.39</b>

## 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 ₹ 1.93 crore (31.3.2014 - ₹ 1.76 crore) lying in designated accounts with banks on account of unclaimed dividends which are not available for use by the Company and ₹ 185.00 crore (31.3.2014 - ₹ 150.75 crore) appropriated upto the previous year towards fund for unforeseen exigencies and interest attributable thereto.

c) Cash & Cash Equivalents comprise of :-	<b>2014-15</b>	<b>2013-14</b>
Balance with Bank :		
In Current Account	163.58	120.62
Bank deposits with original maturity upto 3 months	200.00	255.00
Cheques, drafts on hand	109.20	102.15
Cash on hand	3.94	5.02
Other Bank Balances :		
Dividend Accounts	1.93	1.76
Bank deposits with original maturity more than 3 months	259.09	296.84
	<b>737.74</b>	<b>781.39</b>

- 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, 21st May, 2015

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.

### **(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 and brands/trademarks, 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.

### **(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 Investments.

### **(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.

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

### (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.

### (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, 2015	As at 31st March, 2014
<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 (31.03.2014 : 13,12,35,897) Equity Shares of ₹ 10 each	<b>138.86</b>	131.24
(c) Subscribed and paid up capital 13,25,57,043 ( 31.3.2014 : 12,49,35,925) Equity Shares of ₹ 10 each	<b>132.56</b>	124.94
(d) Forfeited Shares (amount originally paid up)	<b>0.66</b>	0.66
	<b>133.22</b>	125.60

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

	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Amount	No. of shares	Amount
		(₹ In Crore)		(₹ In Crore)
Balance at the beginning of the year	12,49,35,925	124.94	12,49,35,925	124.94
Add : Shares issued and allotted during the year	76,21,118	7.62	—	—
Closing Balance	13,25,57,043	132.56	12,49,35,925	124.94

- (f) 76,21,118 Equity Shares of ₹ 10 each fully paid up were allotted on 5 November, 2014 for cash at premium of ₹ 634 per Equity Share to Qualified Institutional Buyers in compliance with applicable legal requirements.

- (g) 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. During the year ended 31st March, 2015 the amount of dividend per share recommended by the Board of Directors as distributions to equity shareholders is ₹ 9 (31.03.2014 - ₹ 8 ) subject to declaration at the ensuing Annual General Meeting by the members. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

- (h) Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2015		As at 31st March, 2014	
Name of shareholder	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited	58,553,331	44	31,058,414	25
Universal Industrial Fund Limited	—	—	17,791,421	14
HDFC Trustee Company Limited	11,205,021	8	11,205,021	9

# Notes forming Part of Financial Statements (Contd.)

	As at 31st March, 2015	₹ in Crore As at 31st March, 2014
<b>NOTE - 4 RESERVES AND SURPLUS</b>		
(a) Capital contribution from consumer as at beginning of the year	<b>816.62</b>	710.24
Add : Contribution during the year	<b>107.07</b>	106.38
	<b>923.69</b>	816.62
(b) Capital Redemption Reserve	<b>20.13</b>	20.13
(c) Securities Premium Account as at beginning of the year	<b>1,254.85</b>	1,254.85
Addition during the year	<b>483.18</b>	—
	<b>1,738.03</b>	1,254.85
(d) Revaluation Reserve as at the beginning of the year	<b>961.23</b>	1,058.91
Less : Withdrawal on account of depreciation / amortisation on amount added on revaluation	<b>109.76</b>	96.10
	<b>851.47</b>	962.81
Less : Withdrawal of the residual amount added on revaluation consequent to sale/disposal of revalued assets	<b>0.92</b>	1.58
	<b>850.55</b>	961.23
(e) Fund for unforeseen exigencies at the beginning of the year	<b>179.18</b>	141.55
Add : Transfer during the year from Surplus (Refer Note (h) below)	<b>16.27</b>	37.63
	<b>195.45</b>	179.18
(f) General Reserve	<b>3,455.35</b>	2,955.35
Add : Transfer during the year from Surplus	<b>520.00</b>	500.00
	<b>3,975.35</b>	3,455.35
(g) Surplus at the beginning of the year	<b>225.64</b>	228.32
Add : Profit for the year	<b>697.72</b>	651.89
Less : Appropriations		
Transfer to fund for unforeseen exigencies	<b>16.27</b>	37.63
Transfer to General Reserve	<b>520.00</b>	500.00
Proposed Dividend	<b>119.30</b>	99.95
Tax on Proposed Dividend	<b>24.29</b>	16.99
	<b>243.50</b>	225.64
	<b>7,946.70</b>	6,913.00
(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.)

	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 5 LONG-TERM BORROWINGS</b>		
<b>(A) Secured</b>		
Term Loans		
(1) Rupee Loans :		
(i) Banks	3,270.16	2,630.56
(ii) Financial Institutions	180.38	218.38
	<b>3,450.54</b>	<b>2,848.94</b>
(2) Foreign Currency Loans from banks	642.77	605.10
	<b>4,093.31</b>	<b>3,454.04</b>
Less : Current maturities of long term borrowings transferred to Other Current Liabilities (Refer Note 10)	910.38	650.52
	<b>3,182.93</b>	<b>2,803.52</b>

**(B) Nature of Security :**

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

- (a) ₹ 3436.40 crore (31.03.2014 - ₹ 3071.48 crore) are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Company including its land, buildings and any other constructions thereon, plant and machinery, etc. as a first charge and, as a second charge, by hypothecation of the Company's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances. However, creation of the said mortgage security in respect of five Rupee Loans (Previous year ten Rupee Loans and one Foreign Currency Loan) aggregating ₹ 907.50 crore (31.03.2014 - ₹ 1470.59 crore) is in process. User rights in respect of a freehold land having a book value of ₹ 62.55 crore (31.03.2014 - ₹ 62.55 crore) have been offered as security for financial assistance availed of by a subsidiary company to its lenders; and
- (b) ₹ 656.91 (31.03.2014 - ₹ 382.56 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, 2015	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Foreign Currency Loans	Total	Current Maturities
Loans with residual maturity of upto 1 year	205.55	—	—	205.55	205.55
Loans with residual maturity between 1 and 3 years	134.17	34.13	182.24	350.54	203.85
Loans with residual maturity between 3 and 5 years	1,054.69	—	255.58	1,310.27	238.56
Loans with residual maturity between 5 and 10 years	1,700.75	146.25	204.95	2,051.95	246.42
Loans with residual maturity beyond 10 years	175.00	—	—	175.00	16.00
<b>Total</b>	<b>3,270.16</b>	<b>180.38</b>	<b>642.77</b>	<b>4,093.31</b>	<b>910.38</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.

# Notes forming Part of Financial Statements (Contd.)



	₹ in Crore	₹ in Crore
	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 6 OTHER LONG TERM LIABILITIES</b>		
(a) Trade Payables	220.75	182.97
(b) Others *	1,624.30	1,458.17
	<b>1,845.05</b>	<b>1,641.14</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.

	₹ in Crore	₹ in Crore
	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 7 LONG TERM PROVISIONS</b>		
Provision for employee benefits	160.94	140.52
	<b>160.94</b>	<b>140.52</b>

	₹ in Crore	₹ in Crore
	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 8 SHORT-TERM BORROWINGS</b>		
<b>A. Secured</b>		
Loans repayable on demand		
Overdraft from banks	216.58	575.58
<b>B. Unsecured</b>		
Short term loan from banks	224.50	—
Commercial Paper (including from bank ₹ 200 crore)	700.00	—
	<b>1,141.08</b>	<b>575.58</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 ₹ 467 crore (31.03.2014 – ₹ 190 crore) is in process.

## NOTE - 9 TRADE PAYABLES

Trade payables include ₹ 5.53 crore ( 31.3.2014 - ₹ 3.10 crore) due to Micro and Small Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, based on information available with the Company.

₹ Nil (31.3.2014 - ₹ 0.00 crore), ₹ 0.08 crore (31.3.2014 - ₹ 0.17 crore) and ₹ 0.64 crore ( 31.03.2014 - ₹ 0.57 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.

# Notes forming Part of Financial Statements (Contd.)



	₹ in Crore	
	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 10 OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of long-term debt (Refer Note 5)	910.38	650.52
(b) Interest accrued but not due on borrowings	30.02	31.71
(c) Unclaimed dividend	1.93	1.76
(d) Unclaimed public deposit	—	0.03
(e) Liabilities on capital account	103.62	107.84
(f) Other payables	673.41	892.84
	<b>1,719.36</b>	<b>1,684.70</b>
(g) Unclaimed dividend and unclaimed Public Deposits do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.		
(h) Other payables include accrued interest on consumer security deposit, employee related liability, creditors towards contractual obligations etc.		

	₹ in Crore	
	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 11 SHORT TERM PROVISIONS</b>		
(a) Provision for employee benefits	51.30	58.64
(b) Provision for taxation (net of advance tax)	—	4.96
(c) Proposed Dividend	119.30	99.95
(d) Tax on Proposed Dividend	24.29	16.99
	<b>194.89</b>	<b>180.54</b>

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

₹ in Crore

NOTE 12 - TANGIBLE ASSETS									
PARTICULARS	GROSS BLOCK AT COST OR VALUATION			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 1st April, 2014	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2015	As at 1st April, 2014	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2015	As at 31st March, 2014
Land									
Freehold	840.63	0.32	—	840.95	—	—	—	840.95	840.63
Leasehold *	371.69	23.57	—	395.26	29.27	1.78	—	364.21	342.42
Buildings and Structures	733.53	66.22	—	799.75	317.83	16.59	—	465.33	415.70
Plant and Equipment	6,158.90	326.79	5.58	6,480.11	2,987.48	221.72	4.33	3,275.24	3,171.42
Distribution System	5,245.67	602.19	40.60	5,807.26	1,866.93	168.93	36.65	3,808.05	3,378.74
Meters and Other Apparatus on Consumers' Premises	528.52	28.99	3.26	554.25	267.66	23.34	2.62	265.87	260.86
River Tunnel	4.88	—	—	4.88	3.03	0.26	—	1.59	1.85
Furniture and Fixtures	18.67	3.94	0.12	22.49	7.89	1.00	0.05	13.65	10.78
Office Equipment	101.00	13.80	0.29	114.51	41.22	5.70	0.21	67.80	59.78
Vehicles	17.68	0.62	0.53	17.77	12.46	1.34	0.34	4.31	5.22
Railway Sidings	39.73	0.01	—	39.74	21.54	0.90	—	17.30	18.19
	<b>14,060.90</b>	<b>1,066.45</b>	<b>50.38</b>	<b>15,076.97</b>	<b>5,555.31</b>	<b>441.56</b>	<b>44.20</b>	<b>9,124.30</b>	<b>8,505.59</b>
Previous Year	13,206.18	890.10	35.38	14,060.90	5,156.29	425.21	26.19	8,505.59	

Note : \* The execution of long term lease deeds in respect of three plots of land acquired from CTC during the year is in process.

### NOTE 13 - INTANGIBLE ASSETS

Brands / trademarks	150.00	—	—	150.00	37.50	7.50	—	45.00	105.00	112.50
Computer Software	31.15	7.47	—	38.62	30.32	3.77	—	34.09	4.53	0.83
	<b>181.15</b>	<b>7.47</b>	<b>—</b>	<b>188.62</b>	<b>67.82</b>	<b>11.27</b>	<b>—</b>	<b>79.09</b>	<b>109.53</b>	<b>113.33</b>
Previous Year	179.42	1.73	—	181.15	58.34	9.48	—	67.82	113.33	

# Notes forming Part of Financial Statements (Contd.)

	₹ in Crore	
	As at 31st March, 2015	As at 31st March, 2014
<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>		
24,27,98,388 (31.03.2014 : 17,34,27,420) Equity Shares of Spencer's Retail Limited of ₹10 each	360.49	256.43
24,95,10,000 (31.03.2014 : 20,70,10,000) Equity Shares of CESC Properties Limited of ₹ 10 each	249.51	207.01
13,50,000 Equity Shares of Nalanda Power Company Limited of ₹ 10 each	1.35	1.35
2,44,30,50,000 (31.03.2014 : 2,11,50,50,000) Equity Shares of CESC Infrastructure Limited of ₹ 10 each	2,443.05	2,115.05
1,90,00,000 (31.03.2014 : 80,00,000) Equity Shares of Ranchi Power Distribution Company Limited of ₹ 10 each	19.00	8.00
47,10,28,050 Equity Shares of Spen Liq Private Limited of ₹ 10 each	471.00	471.00
28,20,615 (31.03.2014 : 18,20,615) Equity Shares of Papu Hydropower Projects Limited of ₹ 10 each	12.95	11.95
44,17,983 (31.03.2014 : 34,17,983) Equity Shares of Pachi Hydropower Projects Limited of ₹ 10 each	9.38	8.38
8,92,35,800 (31.03.2014 : 4,72,35,800) Equity Shares of Surya Vidyut Limited of ₹ 10 each ( 141,70,740 shares are pledged)	89.24	47.24
1,22,50,000 (31.03.2014 : 70,00,000) Equity Shares of CESC Projects Limited of ₹ 10 each	12.25	7.00
1,10,00,000 Equity Shares of Bantal Singapore Pte Limited of USD 1 each	49.24	49.24
5,000 (31.03.2014 : Nil) Equity Shares of Sheesham Commercial Private Limited of ₹ 10 each	0.01	—
5,000 (31.03.2014 : Nil) Equity Shares of Water Hyacinth Commosale Private Limited of ₹ 10each	0.01	—
3,400 ( 31.03.2014 : Nil) Equity Shares of Wigeon Commotrade Private Limited of ₹ 10 each	0.00	—
306,99,994 (31.03.2014 : 60,00,000) Equity shares of Crescent Power Limited of ₹ 10 each (subsidiary with effect from 30.03.2015)	40.85	6.00
<b>Joint Venture</b>		
24,29,800 Equity shares of Mahuagarhi Coal Company Private Limited of ₹ 10 each - fully provided for	—	2.43
	<b>3,758.34</b>	<b>3,191.09</b>
<b>C. All non-current investments are long term in nature.</b>		

# Notes forming Part of Financial Statements (Contd.)

	₹ in Crore	
	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 15 LONG-TERM LOANS AND ADVANCES</b>		
Unsecured, considered good		
(a) Capital advances	116.53	65.14
(b) Security Deposits	16.48	22.35
(c) Advance to related parties		
Share application money to subsidiaries	1,178.29	1,133.75
Share application money to joint venture company	—	0.80
(d) Share application money to bodies corporate	24.00	22.00
(e) Other Loans and advances	7.72	7.89
(Includes advance for employee related loans etc)		
	<b>1,343.02</b>	<b>1,251.93</b>
<b>NOTE - 16 OTHER NON-CURRENT ASSETS</b>		
(a) Long Term Trade Receivables	8.34	118.75
Unsecured, considered good		
(b) Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted	2.86	3.58
(c) Others (refer Note 43 )	600.00	—
	<b>611.20</b>	<b>122.33</b>
<b>NOTE - 17 CURRENT INVESTMENTS</b>		
<b>Unquoted - Investments in Mutual Funds</b>		
72,94,604.939 units (31.03.2014 : Nil) of ₹ 207.0023 each of ICICI Prudential Liquid - Direct Plan - Growth	151.00	—
44,55,361.069 units (31.03.2014 : Nil) of ₹ 224.4487 each of Birla Sun Life Cash Plus - Direct Plan - Growth	100.00	—
3,62,32,146.610 units (31.03.2014 : Nil) of ₹ 27.5998 each of HDFC Liquid Fund - Direct Plan - Growth	100.00	—
1,76,213.429 units (31.03.2014 : Nil) of ₹ 2,837.4682 each of Kotak Liquid Scheme Plan A - Direct Plan - Growth	50.00	—
2,25,778.936 units (31.03.2014 : Nil) of ₹ 1,550.1889 each of Axis Liquid Fund - Direct Plan - Growth	35.00	—
1,36,498.571 units (31.03.2014 : Nil) of ₹ 2,197.8252 each of SBI Premier Liquid Fund - Direct Plan - Growth	30.00	—
73,325.620 units (31.03.2014 : Nil) of ₹ 3,409.4495 each of Reliance Liquid Fund Treasury Plan - Direct Plan - Growth	25.00	—
	<b>491.00</b>	<b>—</b>
<b>NOTE - 18 INVENTORIES</b>		
(a) Fuel (includes goods in transit ₹ 70.09 Crore; 31.03.2014 : ₹ 23.57 Crore )	220.50	169.67
(b) Stores and Spares (includes goods in transit ₹ 1.35 Crore; 31.03.2014 : ₹ 1.74 Crore)	184.96	175.88
	<b>405.46</b>	<b>345.55</b>

# Notes forming Part of Financial Statements (Contd.)

	As at 31st March, 2015	₹ in Crore As at 31st March, 2014
<b>NOTE - 19 TRADE RECEIVABLES</b>		
(a) Outstanding for a period exceeding six months from due date of payment		
Secured, considered good	33.26	32.35
Unsecured, considered good	204.00	231.24
Doubtful	4.10	4.10
	<u>241.36</u>	<u>267.69</u>
Less : Allowances for doubtful debt	4.10	4.10
	<u>237.26</u>	<u>263.59</u>
(b) Other receivables		
Secured, considered good	742.61	634.18
Unsecured, considered good	401.87	287.05
	<u>1,144.48</u>	<u>921.23</u>
	<u>1,381.74</u>	<u>1,184.82</u>

	As at 31st March, 2015	₹ in Crore As at 31st March, 2014
<b>NOTE - 20 CASH AND BANK BALANCES</b>		
(a) Cash and cash equivalents		
Balances with banks		
In Current Account	163.58	120.62
Bank deposits with original maturity upto 3 months	200.00	255.00
Cheques, drafts on hand	109.20	102.15
Cash on hand	3.94	5.02
	<u>476.72</u>	<u>482.79</u>
(b) Other bank balances		
Dividend Accounts	1.93	1.76
Bank deposits with original maturity more than 3 months		
[Refer Note (c) and (d) below]	259.09	296.84
	<u>737.74</u>	<u>781.39</u>

(c) Amount lying in deposit accounts with banks as at 31st March, 2015 includes ₹ 185 crore (31.03.2014 : ₹ 150.75 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 ₹ 31 crore (31.03.2014 : ₹ Nil) having maturity more than 12 months as on the reporting date.

# Notes forming Part of Financial Statements (Contd.)

	₹ in Crore	
	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 21 SHORT-TERM LOANS AND ADVANCES</b>		
(a) Advances to related parties		
Unsecured, considered good		
Miscellaneous advance to subsidiaries	18.18	34.02
Miscellaneous advance to joint venture company	—	0.08
	<b>18.18</b>	<b>34.10</b>
(b) Other Advances		
Unsecured, considered good		
Advance for goods and services	47.59	44.33
Advance tax (net of provision)	6.70	—
Others *	131.71	122.12
	<b>186.00</b>	<b>166.45</b>
	<b>204.18</b>	<b>200.55</b>
* Above include expenditure incurred by the Company for setting up power projects to be transferred to the specific project developing entities, in due course.		

	₹ in Crore	
	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 22 OTHER CURRENT ASSETS</b>		
(a) Deferred Payment	145.56	154.38
(b) Receivable towards claims and services rendered		
— considered good	42.14	43.21
(c) Interest accrued on Bank Deposits	4.60	24.08
(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	—
	<b>489.75</b>	<b>222.39</b>

## 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 ₹ 162.57 crore (31.03.2014 : ₹ 161.89 crore), ₹1597.48 crore ( 31.03.2014 : ₹ 150 crore) and ₹ 104.59 crore (31.03.2014 : ₹ 132.08 crore) respectively. (Also refer note 38)

(c) Other money for which the Company is contingently liable :

(i) Municipal Tax : ₹ Nil (31.03.2014 : ₹ 1.12 crore) in respect of certain properties, the rates of which are disputed by the Company.

(ii) Income tax matters : ₹ 12.74 crore (31.03.2014 : Nil) (iii) Other matters : ₹ 20.50 crore (31.03.2014 : Nil) (refer note 34)

(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.

		₹ in Crore
	2014-15	2013-14
<b>NOTE - 24 REVENUE FROM OPERATIONS</b>		
(a) Earnings from sale of electricity	<b>6,132.22</b>	5,445.16
(b) Other Operating Revenue		
Meter Rent	<b>45.63</b>	44.01
Others	<b>10.95</b>	20.71
	<b>6,188.80</b>	5,509.88

(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 ₹ 207.74 crore (previous year : ₹ (0.95) 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. 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 ₹ 65.66 crore (previous year : ₹ 62.41 crore) and ₹ 82.68 crore (previous year : ₹ 62.67 crore) respectively.

# Notes forming Part of Financial Statements (Contd.)

		₹ in Crore
	2014-15	2013-14
<b>NOTE - 25 OTHER INCOME</b>		
(a) Interest Income	24.74	49.70
(b) Dividend Income	—	0.60
(c) Gain on sale of current investments (net)	30.33	15.62
(d) Delayed Payment Surcharge	11.30	13.46
(e) Profit on sale of assets (net)	—	0.25
(f) Other non-operating Income	18.43	20.03
	<b>84.80</b>	<b>99.66</b>

## NOTE - 26 COST OF FUEL

- (a) Cost of Fuel includes freight ₹ 300.08 crore (previous year : ₹ 281.59 crore)  
(b) Cost of Fuel includes gain of ₹ 1.78 crore (previous year : loss of ₹ 7.37 crore) due to exchange fluctuations.  
(c) Consumption of fuel :

		2014-15	2013-14
(a) Consumption of Coal			
Quantity	Tonnes	54,19,643	56,22,741
Value	₹ in Crore	1,779.92	1,834.85
(b) Consumption of Oil			
Quantity	Kilolitres	3,964.21	3,810.55
Value	₹ in Crore	25.10	26.64

		₹ in Crore
	2014-15	2013-14
<b>NOTE - 27 EMPLOYEE BENEFIT EXPENSES</b>		
(A) 1 Salaries, wages and bonus	671.25	660.97
2 Contribution to provident and other funds	98.27	102.39
3 Employees' welfare expenses	39.58	29.19
	<b>809.10</b>	<b>792.55</b>
Less : Allocated / transfer to capital account etc.	115.01	98.37
	<b>694.09</b>	<b>694.18</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 ₹ 56.23 crore (previous year : ₹ 46.21 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, 2015					For the year ended 31st March, 2014				
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee
Present value of funded obligation	286.74	—	—	—	—	244.59	—	—	—	—
Fair Value of Plan Assets	246.18	—	—	—	—	194.21	—	—	—	—
Present value of un-funded obligation	40.56	—	—	—	—	50.38	—	—	—	—
Unrecognised past service cost	—	104.76	42.23	24.69	0.00	—	87.94	32.84	25.78	2.20
Net Liability/(Asset)	40.56	104.76	42.23	24.69	0.00	50.38	87.94	32.84	25.78	2.20

	For the year ended 31st March, 2013				For the year ended 31st March, 2012			For the year ended 31st March, 2011		
	Gratuity	Leave Encashment	Medical	Pension	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Present value of funded obligation	192.57	—	—	—	169.55	—	—	153.29	—	—
Fair Value of Plan Assets	183.43	—	—	—	160.74	—	—	151.86	—	—
Present value of un-funded obligation	9.14	—	—	—	8.81	—	—	1.43	—	—
Unrecognised past service cost	—	69.11	23.7	20.86	—	59.46	18.59	—	55.57	17.33
Net Liability/(Asset)	9.14	69.11	23.7	20.86	8.81	59.46	18.59	1.43	55.57	17.33

### Experience Adjustment

₹ in Crore

	2014-2015					2013-2014				
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee
Experience (Gain) / Loss adjustment on plan liabilities	15.73	6.04	0.81	(3.12)	(2.41)	62.86	22.62	2.24	6.62	(0.18)
Experience (Gain) / Loss adjustment on plan assets	4.50	—	—	—	—	1.95	—	—	—	—
Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption	17.55	7.79	7.20	3.66	—	(13.64)	(5.40)	(3.74)	(0.09)	2.20
Net Liability/(Asset)	37.78	13.83	8.01	0.54	(2.41)	51.17	17.22	(1.50)	6.53	2.02

	2012-2013			2011-2012		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Experience (Gain) / Loss adjustment on plan liabilities	7.80	3.96	3.51	15.02	3.36	1.66
Experience (Gain) / Loss adjustment on plan assets	(1.53)	—	—	(0.20)	—	—
Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption	7.30	3.01	0.95	(4.92)	(1.92)	(1.04)
	13.57	6.97	4.46	9.90	1.44	0.62

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

₹ in Crore

	For the year ended 31st March, 2015					For the year ended 31st March, 2014				
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee
Current Service Cost	11.01	2.19	—	—	—	8.78	1.89	—	—	0.18
Interest Cost	21.42	7.77	2.95	2.20	0.20	14.93	5.43	1.90	1.58	—
Expected Return on Plan Assets	(19.17)	—	—	—	—	(14.80)	—	—	—	—
Actuarial loss/(gain)	28.78	13.83	8.00	0.54	(2.40)	47.27	17.22	(1.50)	6.53	2.02
Past Service Cost	—	—	—	—	—	—	—	10.05	—	—
Total	42.04	23.79	10.95	2.74	(2.20)	56.18	24.54	10.45	8.11	2.20

# Notes forming Part of Financial Statements (Contd.)

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

₹ in Crore

	For the year ended 31st March, 2015					For the year ended 31st March, 2014				
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee
Opening defined benefit obligation	244.59	87.93	32.84	25.78	2.20	192.57	69.11	23.70	20.86	–
Current Service Cost	11.01	2.19	–	–	–	8.78	1.89	–	–	0.18
Past Service Cost	–	–	–	–	–	–	–	10.05	–	–
Interest Cost	21.42	7.77	2.95	2.20	0.20	14.93	5.43	1.90	1.58	–
Plan Amendments	–	–	–	–	–	–	–	–	–	–
Actuarial loss/(gain)	33.28	13.83	8.00	0.54	(2.40)	49.21	17.22	(1.50)	6.53	2.02
Benefits paid	(23.56)	(6.96)	(1.56)	(3.83)	–	(20.90)	(5.72)	(1.31)	(3.19)	–
<b>Closing Defined Benefit Obligation</b>	<b>286.74</b>	<b>104.76</b>	<b>42.23</b>	<b>24.69</b>	<b>0.00</b>	<b>244.59</b>	<b>87.93</b>	<b>32.84</b>	<b>25.78</b>	<b>2.20</b>

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

₹ in Crore

	For the year ended 31st March, 2015					For the year ended 31st March, 2014				
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee
Opening fair value of Plan Assets	194.21	–	–	–	–	183.43	–	–	–	–
Expected Return on Plan Assets	19.17	–	–	–	–	14.80	–	–	–	–
Actual Company Contributions	51.86	–	–	–	–	14.93	–	–	–	–
Actuarial gain/(loss)	4.50	–	–	–	–	1.95	–	–	–	–
Benefits paid	(23.56)	–	–	–	–	(20.90)	–	–	–	–
<b>Closing Fair Value on Plan Assets</b>	<b>246.18</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>194.21</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Actual Return on Plan Assets ₹ 23.68 crore

₹ 16.75 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, 2015		For the year ended 31st March, 2014	
	Increase	Decrease	Increase	Decrease
Effect on aggregate of interest cost and current service cost	–	–	–	–
Effect on defined benefit obligation	42.64	(31.10)*	33.17	(24.32)*

\* in case of hospitalised treatment only

## Principal Actuarial Assumptions Used :

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Discount Rates	7.78%	9.20%
Expected Return on Plan Assets	9.20%	8.20%
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	
	2014-15	2013-14
<b>NOTE - 28 FINANCE COSTS</b>		
(a) Interest expense	424.79	385.62
(b) Other Borrowing Costs	9.01	8.26
	<b>433.80</b>	<b>393.88</b>
Less : Allocated to capital account	25.94	25.22
	<b>407.86</b>	<b>368.66</b>
<b>NOTE - 29 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation/ amortisation on tangible assets	441.56	425.21
Amortisation on intangible assets	11.27	9.48
	<b>452.83</b>	<b>434.69</b>
Less : Recoupment from revaluation reserve	109.76	96.10
	<b>343.07</b>	<b>338.59</b>
<b>NOTE - 30 OTHER EXPENSES</b>		
(a) Consumption of stores and spares	313.42	341.69
(b) Repairs		
Building	11.03	14.60
Plant and Machinery	111.70	97.36
Distribution System	96.26	79.90
Others	5.09	5.14
	<b>224.08</b>	<b>197.00</b>
(c) Insurance	7.97	7.77
(d) Rent (including lease rent ₹ 10.95 crore; previous year - ₹ 11.13 crore)	20.07	19.60
(e) Rates and taxes	8.62	8.53
(f) Bad debts / Advances made	36.32	26.51
(g) Amortisation of miscellaneous expenditure	0.72	0.72
(h) Interest on Consumers' Security Deposits	88.40	78.89
(i) Foreign Exchange Restatement	(8.82)	37.93
(j) Miscellaneous expenses	326.06	174.69
	<b>1,016.84</b>	<b>893.33</b>
Less : Allocated / transfer to capital, deferred payment etc.	199.38	262.64
	<b>817.46</b>	<b>630.69</b>
(k) Miscellaneous expenses in (j) above include research and development expense of ₹ 1.31 crore (previous year : ₹ 1.14 crore) and adjustment of ₹ 16.26 crore (previous year - ₹ 29.91 crore) on account of withdrawal of provision relating to non-executive directors' commission, not being payable.		

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

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

	2014-15	2013-14
1. Audit fees	0.55	0.45
2. Tax Audit	0.05	0.05
3. Other Services	3.16	0.76
4. Reimbursement of expenses (including applicable service tax)	0.07	0.03

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

	2014-15		2013-14	
	₹ In Crore	%	₹ In Crore	%
Raw Material				
Imported	151.35	8.38	201.30	10.81
Indigenous	1,653.67	91.62	1,660.19	89.19
	1,805.02	100.00	1,861.49	100.00
Stores and Spare Parts				
Imported	—	—	—	—
Indigenous	105.22	100.00	118.02	100.00
	105.22	100.00	118.02	100.00

**NOTE - 31** The major components of Deferred Tax Assets / (Liabilities) based on the timing difference as at 31st March, 2015 are as under :

	2014-15	2013-14
Liabilities		
Excess of tax depreciation over book depreciation	(1256.95)	(1058.63)
Assets		
Items covered under section 43B	15.40	14.92
Others including items covered under section 35DDA and 35DD	0.09	0.42
	(1,240.86)	(1,043.29)
Less : Recoverable	1,240.86	1,043.29
<b>Deferred Tax Liabilities (Net)</b>	—	—

**NOTE 32** In terms of the provisions of the Companies Act, 1956 Members of the Company at the Thirty-fifth Annual General Meeting held on 26 July, 2013 have approved payment of commission to the non-executive directors at a rate not exceeding 3% per annum of the net profits of the Company for each of the five financial years commencing from 2013-14. Accordingly the said Commission has been fully provided for the year 2014-15. A fresh Ordinary Resolution in terms of the provisions of the Companies Act, 2013 has been included in the notice convening the ensuing Thirty-seventh Annual General Meeting of the members of the Company for the said payment of commission to the non-executive directors commencing from the financial year 2014-15 at a rate not exceeding 3% per annum of the net profits of the Company, subject to the total managerial remuneration not exceeding 11% of the net profit of the Company, for the relevant financial year.

**NOTE 33** Outstanding foreign currency loans as on 31st March, 2015 as disclosed in Note 5, stands fully hedged in Indian Rupee. Trade Payables include ₹ 18.25 crore (31.03.2014 : ₹ Nil) 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 other than in its investments in Mahuagarhi Coal Company Private Limited (MCCPL), which was incorporated in India for development of Mahuagarhi coal field and exploration of coal therefrom as a joint venture company with 50% participation of the Company in MCCPL's share capital, in terms of the requirements of allocation of the said coal block by the Ministry of Coal, Government of India. Pursuant to the judgement dated 25th August, 2014 and the subsequent Order dated 24th September, 2014 of the Hon'ble Supreme Court of India, the underlying coal block got deallocated during the year. Consequently,

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

the value of the Company's investments amounting to ₹ 2.43 crore in equity share of MCCPL has been fully provided for. The interests of the Company as at 31st March, 2015 in the assets, liabilities and expenses of the joint venture are ₹ 0.01 crore (previous year : ₹ 3.20 crore), ₹ 0.93 crore (previous year : ₹ 0.05 crore) and ₹ 3.18 crore (previous year : ₹ 0.01 crore) respectively and in respect thereof, in terms of the Order dated 6th February, 2015 of Hon'ble High Court at Delhi, the Company has also provided a Bank Guarantee of ₹ 20.50 crore to the Ministry of Coal for its share in the deallocated coal block valid till 7th June, 2015.

**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 ₹ 3.50 crore (previous year : ₹ 7.42 crore) and ₹ 10.21 crore (previous year : ₹ 5.91 crore) during next one year and thereafter till five years respectively. There are no restrictions in respect of such leases.

**NOTE - 36** Earnings per share :

### Computation of Earnings per share

Particulars		2014-15	2013-14
Profit After Tax (₹ in Crore) (A)		697.72	651.89
Weighted Average no. of shares for Earnings per share (B)		12,80,05,252	12,49,35,925
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)		54.51	52.18

**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
CESC Properties Limited	Subsidiary Company
Metromark Green Commodities Pvt. Ltd.	Subsidiary of CESC Properties 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 Ltd.	Subsidiary of Firstsource Solutions Limited
Anunta Tech Infrastructure Services Ltd.	Subsidiary of Firstsource Solutions Limited
Firstsource Dialog Solutions (Private) Limited (FDS)	Subsidiary of Firstsource Solutions Limited
MedAssist Holding, Inc. (MedAssist)	Subsidiary of Firstsource Group USA, Inc.
Firstsource Business Process Services, LLC	Subsidiary of Firstsource Group USA, Inc.
Firstsource Solutions USA LLC (earlier known as MedAssist LLC)	Subsidiary of MedAssist Holding, Inc.
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 LTD

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

One Advantage LLC (OAL)	Subsidiary of Firstsource Advantage, LLC
Medassist Holding LLC (earlier known as Medassist acquisition Inc.)	Subsidiary of Firstsource Solutions UK Ltd. w.e.f 31st December, 2013
Mr. Sanjiv Goenka	Chairman
Sheesham Commercial Pvt Limited	Subsidiary Company w.e.f 29th January, 2015
Water Hyacinth Commosale Pvt Limited	Subsidiary Company w.e.f 29th January, 2015
Wigeon Commotrade Pvt Limited	Subsidiary Company w.e.f 12th February, 2015
Crescent Power Limited	Subsidiary Company w.e.f 30th March, 2015
Mahuagarhi Coal Company Private Limited	Joint Venture
Mr. Aniruddha Basu	Managing Director - Key Management Personnel

**(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-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Acquisition of investment</b>								
- Spencer's Retail Limited	104.06	104.06					104.06	104.06
- CESC Infrastructure Limited	328.00	927.00					328.00	927.00
- CESC Properties Limited	42.50	77.00					42.50	77.00
- Nalanda Power Company Limited	–	0.45					–	0.45
- Surya Vidyut Limited	42.00	–					42.00	–
- CESC Projects Limited	5.25	6.50					5.25	6.50
- Papu Hydropower Projects Limited	1.00	1.77					1.00	1.77
- Pachi Hydropower Projects Limited	1.00	3.37					1.00	3.37
- Spen Liq Private limited	–	1.00					–	1.00
- Ranchi Power Distribution Company Limited	11.00	7.00					11.00	7.00
- 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	40.85	–					40.85	–
<b>Advance for Share Subscription</b>								
- Spencer's Retail Limited (net of refund of ₹ 455 crore; previous year - ₹ 450 crore)	148.60	96.00					148.60	96.00
- CESC Properties Limited	42.50	60.00					42.50	60.00
- CESC Infrastructure Limited (net of refund of ₹ 50 crore ; previous year - ₹ Nil )	328.00	927.00					328.00	927.00
- Surya Vidyut Limited (net of refund of ₹ 15 crore; previous year - ₹ Nil)	42.00	–					42.00	–
- CESC Projects Limited	5.25	3.50					5.25	3.50
- Papu Hydropower Projects Limited	1.00	–					1.00	–
- Pachi Hydropower Projects Limited	1.00	1.00					1.00	1.00
- Spen Liq Private limited (net of refund)	(0.00)	(1.02)					(0.00)	(1.02)
- Ranchi Power Distribution Company Limited	11.00	7.00					11.00	7.00

# Notes forming Part of Financial Statements (Contd.)

₹ in Crore

Nature of Transactions	Subsidiaries		Joint Venture		Key Management Personnel		Total	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
<b>Expense Recoverable/(Payable)</b>								
- Dhariwal Infrastructure Limited	1.46	1.61					1.46	1.61
- CESC Infrastructure Limited	(0.26)	(0.05)					(0.26)	(0.05)
- Surya Vidyut Limited (net of recovery of ₹ 0.15 crore ; previous year ₹ 0.27 crore )	0.15	0.15					0.15	0.15
- CESC Properties Limited (net of recovery of ₹ Nil ; previous year ₹ 0.24 crore)	1.97	1.17					1.97	1.17
- Papu Hydropower Projects Limited	0.57	—					0.57	—
- Panchi Hydropower Projects Limited	0.98	—					0.98	—
- CESC Projects Limited	(0.31)	—					(0.31)	—
- Ranchi Power Distribution Company Limited	1.68	2.12					1.68	2.12
- Mahuagarhi Coal Company Private Limited			1.06	—			1.06	—
- Haldia Energy Limited (net of recovery of ₹ 24.69 crore; previous year - ₹ 0.05 crore)	4.70	16.20					4.70	16.20
<b>Income from sale / services</b>								
- Spencer's Retail Limited	9.65	8.55					9.65	8.55
- Music World Retail Limited	—	0.06					—	0.06
- Au Bon Pain Café India Limited	0.36	0.08					0.36	0.08
- Haldia Energy Limited	2.46	—					2.46	—
- Crescent Power Limited	0.07	—					0.07	—
- CESC Properties Limited	23.84	15.24					23.84	15.24
<b>Expenses incurred</b>								
- Spencers' Retail Ltd.	0.13	0.18					0.13	0.18
- Haldia Energy Limited	203.78	—					203.78	—
- Crescent Power Limited	0.06	—					0.06	—
- First Source Solutions Limited	1.85	0.60					1.85	0.60
<b>Security Deposit</b>								
- CESC Properties Limited	—	0.12					—	0.12
- Au Bon Pain Café India Limited	—	0.03					—	0.03
- Music World Retail Limited	—	(0.02)					—	(0.02)
- 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>					1.58	1.61	1.58	1.61
<b>Outstanding Balance</b>								
- Debit	1,190.95	1,210.14	—	—	—	—	1,190.95	1,210.14
- Credit	—	—	—	—	0.48	0.48	0.48	0.48

## Borrowing Financing obligation :

During the year, (i) a sum of ₹ 24.85 crore towards dividend for the year 2013-14 was paid to Rainbow Investments Ltd, an enterprise related to the Company in terms of Para 3(e) of Accounting Standard AS -18 issued by ICAI and (ii) Commission and sitting fees paid to the Chairman amounting to ₹ 8.49 crore. Also refer Note 23(b) above relating to commitments as on 31.03.2015 in respect of DIL, HEL, SRL and others amounting to ₹ 638.86 crore, ₹ 555.50 crore, ₹ 280 crore and ₹ 123.12 crore respectively and Note 34 relating to Mahuagarhi Coal Company Private Limited.

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

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

₹ In Crore

	2014-15	2013-14
Capital Goods	—	—
Fuel	134.00	164.09
<b>Total</b>	<b>134.00</b>	<b>164.09</b>

### NOTE - 40 Expenditure in foreign currency :

₹ In Crore

	2014-15	2013-14
Travelling	1.00	0.83
Others	2.54	3.21
<b>Total</b>	<b>3.54</b>	<b>4.04</b>

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

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

	2014-15			2013-14		
	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	354	6,80,374	0.54	366	7,41,029	0.52

### NOTE - 42 Earnings in foreign exchange :

₹ In Crore

	2014-15	2013-14
Income from Consultancy	0.05	3.00
<b>Total</b>	<b>0.05</b>	<b>3.00</b>

**NOTE - 43** Pursuant to allocation of the Sarisatoli coal block in the State of West Bengal to the Company in 1993 by the Ministry of Coal, Government of India, a portion of the Company's coal requirement has been met since October 2002 from the production of the said mine. By the judgement dated 25th August 2014 read with its Order dated 24th September 2014 of the Hon'ble Supreme Court of India in Coal Block Allocation, the process of allocation of coal blocks adopted by the Government of India in vogue since 1993, was held to be wanting in material respects which resulted in the Hon'ble Apex Court cancelling most of the allocations, including the aforesaid Sarisatoli coal block and even those to Central as well as State Public Sector Undertakings, made under that process. Moreover, payment of an additional levy in respect of coal extracted from the said mine(s) was directed under the aforesaid judgement, which in the above referred case worked out to ₹ 1044.87 crore upto the effective date of cancellation i.e. 31st March, 2015.

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, inter alia, payment of the aforesaid sum by the Company was necessitated and, a demand has so far been raised on the Company by the Competent Authority for payment of a sum of ₹ 995.52 crore, which has been fully paid and the balance sum would also be duly settled in terms of the appropriate order / legislations. Considering that the above payment being in the form of levy, and given the facts and circumstances of the incidence thereof, a portion of the said additional levy amounting to ₹ 896.73 crore relating to the period since inception upto 31st March, 2014 has been shown in the financial statements as an Exceptional Item and an amount of ₹ 101.03 crore for the financial year 2014-15 included in the fuel cost, the total amount of ₹ 997.76 crore being directly relating to the underlying fuel sourced for the Company's (a statutory distribution licensee supplying electricity to the end consumers in Kolkata and surrounding areas) embedded generation, and hence considered as recoverable by way of tariff in terms of the applicable laws / regulations, for which a reference has since been made to West Bengal Electricity Regulatory Commission (WBERC). The balance sum of ₹ 47.11 crore has not been considered as recoverable and charged off to Profit and Loss Account.

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

Subsequently, following the auction conducted by the Ministry of Coal, Government of India, under the provisions of the applicable laws, the Company has been allotted the said Sarisatoli coal block effective 1st April, 2015 and mining operations thereat commenced from 10th April, 2015 which has since been duly informed to WBERC.

**NOTE - 44** 76,21,118 new equity shares of Rs 10 each were allotted on 5th November, 2014 for cash at a premium of ₹ 634 per share to Qualified Institutional Buyers in compliance with applicable legal requirements and pending its utilisation in terms of the Issue, the proceeds thereof have been kept invested in mutual funds and shown under Current Investments.

**NOTE - 45** As per plans, the 60 year old 100 MW New Cossipore generating station of the Company has permanently ceased to generate power effective on 30th November, 2014. Net block of fixed assets of New Cossipore plant (net of adjustment from revaluation reserve) amount to ₹ 18.51 crore, in respect of which no adjustment has so far been given effect to. However, the realizable value of these assets are estimated to be significantly higher than the aforesaid book value.

**NOTE - 46** In terms of the provisions of Companies Act, 2013, the required Corporate Social Responsibility (CSR) spending works out to ₹ 15.17 crore, which has been met by way of contribution to a trust set up for the said purpose and direct expenditure of ₹ 12.11 crore and ₹ 3.06 crore respectively.

**NOTE - 47 Quantitative information :**

(Million kWh)

	2014-15	2013-14
(a) Total number of units generated during the year	8596	8930
(b) Total number of units consumed in Generating Stations	721	754
(c) Total number of units sent out	7875	8176
(d) Total number of units purchased during the year	2346	1721
(e) Total number of units through Unscheduled Interchange (Net)	37	15
(f) Total number of units delivered	10258	9912
(g) Total number of units sold as per meter readings	8937	8591
(h) Total number of units sold to persons other than own consumers and WBSEDCL	50	100
(i) Total number of units consumed in Company's premises	22	20
(j) Total number of units sold to WBSEDCL	47	42

**NOTE - 48** The derated installed capacity of the Generating Stations of the Company (as per certification of technical expert) as on 31st March, 2015 was 1125000 kW (31st March, 2014 : 1225000 kW).

**NOTE - 49** 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, 21st May, 2015

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 : 2006 - 2015

₹ in Crore

Year ended 31st March	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue from operations and Other Income	2,589	2,577	2,930	3,200	3,449	4,247	4,782	5,410	5,609	<b>6,274</b>
Profit before Taxation	204	341	403	465	522	614	693	773	825	<b>883</b>
Taxation	20	40	48	55	89	126	139	155	173	<b>185</b>
Profit after Taxation	184	301	355	410	433	488	554	618	652	<b>698</b>
Proposed Dividend including tax thereon	23	35	58	58	58	58	73	102	117	<b>144</b>
<b>EQUITY AND LIABILITIES</b>										
Share Capital	83	85	126	126	126	126	126	126	126	<b>133</b>
Equity Warrant issued and subscribed	4									
Reserves and Surplus	3,606	3,730	4,461	4,757	5,071	5,444	5,886	6,369	6,913	<b>7,947</b>
Borrowings	1,910	1,798	1,629	2,398	2,812	2,643	2,600	3,213	3,379	<b>4,324</b>
Security Deposits	560	652	742	821	896	935	1,051	1,139	1,280	<b>1,408</b>
Advance against Depreciation		100	198	338	447	514	566	714	777	<b>860</b>
Non -Current liabilities						809	889	1,612	1,781	<b>2,006</b>
Current liabilities ( excluding Short Term Borrowings )	751	983	1,214	1,687	1,729	1,261	1,609	1,726	2,073	<b>2,240</b>
	<u>6,914</u>	<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><b>18,918</b></u>
<b>ASSETS</b>										
Fixed Assets (less Depreciation)	5,566	5,556	5,829	6,882	7,511	7,735	8,091	8,568	9,029	<b>9,496</b>
Investments	31	241	570	310	679	1,084	1,133	2,178	3,191	<b>4,249</b>
Non-Current Assets						96	75	1,525	1,374	<b>1,954</b>
Current Assets (Excluding Current Investments)	1,317	1,551	1,971	2,935	2,891	2,817	3,428	2,628	2,735	<b>3,219</b>
	<u>6,914</u>	<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><b>18,918</b></u>
Additions to Fixed Assets	161	232	302	694	1,954	625	638	870	892	<b>1,074</b>
Depreciation	254	158	168	175	206	267	289	306	339	<b>343</b>
Units sold (millions)	6,251	6,424	6,948	7,206	7,595	8,135	8,271	8,577	8,591	<b>8,937</b>
Units exported (millions)	418	458	441	302	158	146	173	74	142	<b>97</b>
System Maximum Demand (megawatts)	1,343	1,359	1,436	1,450	1,584	1,657	1,727	1,904	1,865	<b>2,042</b>
No. of Consumers ( in Lakh)	20.96	21.83	22.08	22.94	23.84	24.89	25.86	27.02	28.10	<b>29.20</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 wherever necessary.

## Major Statistics : 2014 - 2015

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	2532	MVA
Distribution Stations	Number of Stations	108	
	Transformer Capacity	3454	MVA
LT Substations	No. of AC Substations	7906	
	Transformer Capacity	2650	MVA
	No. of DC Substations		
	DC Substations Capacity		
Distribution Network (Circuit KM.)			
	220 KV UG	35.0	Ckt. Km.
	220 KV OH	221.0	Ckt. Km.
	132 KV UG	278.0	Ckt. Km.
	132 KV OH	81.0	Ckt. Km.
	33 KV UG	1387.0	Ckt. Km.
	33 KV OH	92.0	Ckt. Km.
	20 KV UG	50.0	Ckt. Km.
HT Distribution	11 & 6 KV UG	6259.0	Ckt. Km.
	11 & 6 KV OH	87.0	Ckt. Km.
	3.3 KV UG	21.0	Ckt. Km.
LT Distribution	UG	7443	Ckt. Km.
	OH	5111	Ckt. Km.
HT Capacitor	132 & 33 KV	627	MVAR
	6 & 11 KV	268	MVAR
Additions During the Year			
220/132/33 KV Substations	320.0 MVA	LT UG Mains	193.00 Ckt. Km.
132/33 KV Substations	0.0 MVA	LT OH Mains	92.00 Ckt. Km.
Distribution Stations	116.0 MVA	220 KV UG	9.00 Ckt. Km.
(Figure after deduction of 31 MVA Ichapore D/S De-comsmd. in 14/15)		220 KV OH	1.70 Ckt. Km.
LTAC Substations	82.0 MVA	132 KV UG	9.70 Ckt. Km.
No. of LT Services	18011 Nos	33 KV UG	67.00 Ckt. Km.
No. of HT Services	41 Nos	11 & 6 KV UG	212.00 Ckt. Km.

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

# Consolidated Financial Statements

## 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)] to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2015, 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 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 and Accounting Standard 30, Financial Instruments : Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of 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 of 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, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. 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 12 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 attention to the following qualification in the audit report of Spencer's Retail Limited, a subsidiary of the Company issued by an independent firm of Chartered Accountants vide its Report dated May 19, 2015 reproduced by us as under:

"Attention is drawn to note no. 12 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 ₹ 484.09 crore as against the reported loss of ₹ 173.55 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 preceding year."

*(Refer Note 34 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

## Independent Auditors' Report (Contd.)

the group would have been reduced by ₹ 310.53 crore resulting in a loss of ₹ 112.02 crore as against the reported profit of ₹ 198.51 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and jointly controlled entity as at March 31, 2015 and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

9. We draw attention to Note No 48 of the Consolidated Financial Statements for the year ended March 31, 2015 relating to additional levy of ₹ 997.76 crore paid/provided pursuant to Coal Mines Special Provision Act, 2015 read with related Rules/Ordinance etc. and recognized as recoverable through tariff (as exceptional item and fuel cost) with respect to the Holding Company. Our opinion is not qualified to this effect.
10. We draw attention to the following emphasis of matter paragraphs included in the Audit report of Firstsource Solutions Limited, a step down subsidiary of the company issued by an independent firm of Chartered Accountants vide its report dated May 5, 2015.

"a) Without qualifying our opinion, we draw attention to Note 36 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 by the National Advisory Committee for Accounting Standards (NACAS) pursuant to the Companies (Accounting Standards) Rules, 2006 which continues to apply under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2004. Consequent to the early adoption of AS 30 as stated above, the profit after taxation for the year is higher by ₹ 8.62 crore and Reserves and Surplus as at that date is higher by ₹ 0.68 crore.

*(Refer Note 41 of the attached Consolidated Financial Statements)*

- b) Without qualifying our opinion, we draw attention to Note 13 to the consolidated financial statements regarding the

merger during the year of Medassist Holding Inc. and Medassist Acquisition LLC, subsidiaries of FG-US, effective March 31, 2015 under the Pooling of Interests Method. As a result of the merger and as specified in the Scheme, the excess of investment over the value of net assets and reserves taken over amounting to ₹ 1939.40 crore has been considered as Goodwill in these consolidated financial statements."

*(Refer Note 13 of the attached Consolidated Financial Statements)*

11. We draw attention to the following emphasis of matter paragraph included in the Audit report of Mahuagarhi Coal Company Private Limited, a jointly controlled entity issued by an independent firm of Chartered Accountants vide its report dated May 19, 2015.

"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 47 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

12. We did not audit the financial statements of 31 subsidiaries, and 1 jointly controlled entity whose financial statements reflect total assets of ₹ 13315.32 crore and net assets of ₹ 3575.99 crore as at March 31, 2015, total revenue of ₹ 4894.96 crore, net loss of ₹ 705.23 crore and net cash flows amounting to ₹ (45.26) 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-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entity, 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.

### Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the Auditors' reports of the Holding Company,

# Independent Auditors' Report (Contd.)

subsidiary companies and jointly controlled company incorporated in India (Refer Note 1(b) and (c) to the consolidated financial statements), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. 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 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 in respect of Spencer's Retail Limited, a subsidiary which was audited by another firm of Chartered Accountants as referred to in paragraph 7. Further, Firstsource Solutions Limited has early adopted AS 30, read with AS 31 along with prescribed limited revisions to other Accounting Standards prescribed under the Act as stated in Emphasis of Matter paragraph 10 above.
- (e) The audit report of Spencer's Retail Limited, a subsidiary of the Company issued by an independent firm of Chartered Accountants vide its Report dated May 19, 2015 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 March 31, 2015 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, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

(g) The Audit report of Spencer's Retail Limited, a subsidiary of the Company issued by an independent firm of Chartered Accountants vide its Report dated May 19, 2015 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 other matters to be included in the Auditor's 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 and as per audit report issued by other auditors, as applicable :

- i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2015 on the consolidated financial position of the Group and its jointly controlled entities - Refer Notes 23(a)(i), 23(a)(ii) and 23(c) to the Consolidated Financial Statements.
- ii. Provision has been made in the Consolidated Financial Statements, as required under applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2015 - Refer Note 49 to the consolidated financial statements in respect of such items as it relates to the Group and its 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, 2015.

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

Sougata Mukherjee  
Partner  
Membership No. : 057084

Kolkata  
May 21, 2015

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

Referred to in paragraph [13] of the Independent Auditors' Report of even date to the members of CESC Limited on the consolidated financial statements as of and for the year ended March 31, 2015

- i. (a) On the basis of our examination of the fixed assets records of the Holding Company and the reports of the other auditors, the Holding Company and its subsidiaries incorporated in India having fixed assets are maintaining proper records showing full particulars, including quantitative details and situation, of such fixed assets.
- (b) The fixed assets of the Holding Company and the subsidiaries incorporated in India except those in the transmission and distribution system of the Holding Company for which we have been informed that the 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 is reasonable having regard to the size of the Holding Company and the aforesaid subsidiary companies and nature of their assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the respective management of the aforesaid Holding Company and its subsidiaries during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- ii. (a) The inventory, excluding stocks with third parties in case of the Holding Company, which have been substantially confirmed by the third parties, has been physically verified by the management of the Holding Company and subsidiaries incorporated in India, as applicable. In our opinion, the frequency of verification is reasonable. Some of the subsidiaries and the jointly controlled entity have no inventory and thus clause 3 (ii)(a) of the Order is not applicable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management of the Holding Company and the respective subsidiaries, incorporated in India are reasonable and adequate in relation to the size of the aforesaid Holding Company and subsidiaries, as applicable and the nature of their respective businesses.
- (c) On the basis of our examination of the inventory records and the reports of the other auditors, in our opinion, the Holding Company and some of the subsidiaries, incorporated in India are maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory of the aforesaid Holding Company and its subsidiaries as compared to the respective book records were not material.
- iii. The Holding Company, its subsidiaries and jointly controlled entity incorporated in India have not granted secured or unsecured loans, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the company.
- iv. In our opinion, and according to the information and explanations given to us and based on the report of the other auditors of the subsidiaries, there is an adequate internal control system commensurate with the size of the Holding Company, its subsidiaries incorporated in India and the nature of their respective businesses for the purchase of inventory and fixed assets and for the sale of energy, goods and services. In respect of Spencers Group which is audited by another firm of Chartered Accountants, the auditors, vide their report dated May 19, 2015 have reported: "In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements of the Covered entities of the Group, except for one Covered entity where having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Holding Company and the covered entities of the Group and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the Holding Company and the Covered entities of the Group."

Further, on the basis of our examination of the books and records of the aforesaid Holding Company and the reports of the other auditors on the subsidiaries, as furnished to us, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system. Some of the other subsidiaries and the jointly controlled entity do not have any purchase of inventory, fixed assets and sale of goods and services and hence clause 3(iv) of the Order is not applicable.

- v. In our opinion, and according to the information and explanations given to us based on the reports of the other auditors on the subsidiaries and jointly controlled entity as furnished to us, the Holding Company and its subsidiaries and jointly controlled entity incorporated in India have not accepted any deposits from the public within the meaning of sections 73, 74, 75 and 76 of the Act and the rules framed thereunder to the extent notified.
- vi. We have broadly reviewed the books of accounts maintained by the Holding Company incorporated in India in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and based on such review, and the reports of the other auditors on the Holding Company's subsidiaries, incorporated in India as furnished to us, are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We/the other auditors have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

No cost records have been specified to be maintained by Central Government of India in respect of certain subsidiaries and jointly controlled entity.

## Independent Auditors' Report (Contd.)

- vii. (a) In our opinion, and according to the information and explanations given to us and the records of the Holding Company examined by us, and based on the reports of the other auditors of the Holding Company's subsidiaries and jointly controlled entity incorporated in India, the Holding Company is regular, its subsidiaries and jointly controlled entity are generally 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, cess 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 Holding Company, CESC Properties Limited, CESC Infrastructure Limited and Crescent Power Limited examined by us, there are no dues of wealth 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 income tax as at March 31, 2015 which have not been deposited on account of disputes, 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
Income Tax Act, 1961	Income Tax and interest thereon	12.74	Assessment Year 2012-13	The Commissioner of Income Tax (Appeals)

As reported by the auditors of Spencers Retail Limited, the dues outstanding of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess on account of any 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
Various States VAT/ CST/ Entry Tax Act	Sales tax demand on stock transfer	5.31	2003-04, 2008-09, 2009-10 and 2010-11	Various appellate authorities
	Dispute related to VAT credit/ non-submission of forms and other documents	26.66	2000-01, 2001-02, 2003-04, 2004-05, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13	Appellate Deputy Commissioner/ Additional Commissioner/ Appellate Tribunal
Finance Act, 1994	Service Tax demand on concessionaire income Service tax demand on availment of CENVAT credit	11.32 102.10	2007-08 & 2008-09 2006-07 to 2010-11	Commissioner, Appeals CESTAT

According to the information and explanations given to the auditors of Firstsource Solutions Limited, the following dues of Income tax and service tax have not been deposited by the subsidiaries incorporated in India on account of disputes :

Name of the statute	Nature of dues	Amount (₹ crores)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Transfer pricing demand	4.10	2002-03	Commissioner of Income Tax - Appeals
Income-tax Act, 1961	Assessment under Section 143 (3)	2.70	2003-04	Commissioner of Income Tax - Appeals
Income-tax Act, 1961	Assessment under Section 143 (3)	4.10	2005-06	Commissioner of Income Tax - Appeals
Income-tax Act, 1961	Assessment under Section 143 (3) read with Section 147	4.20	2006-07	Income Tax Appellate Tribunal
Income-tax Act, 1961	Assessment under Section 143 (3)	0.10	2007-08	Income Tax Appellate Tribunal
Income-tax Act, 1961	Assessment under Section 143 (3) read with Section 147	6.00	2007-08	Commissioner of Income Tax - Appeals
Income-tax Act, 1961	Assessment under Section 143 (3)	32.30	2008-09	Income Tax Appellate Tribunal
Income-tax Act, 1961	Assessment under Section 143 (3) read with Rule 92 CA (4)	4.90	2008-09	Commissioner of Income Tax - Appeals
Income-tax Act, 1961	Assessment under Section 143 (3)	5.00	2009-10	Commissioner of Income Tax - Appeals
Income-tax Act, 1961	Assessment under Section 201	33.90	2010-11	Income Tax Appellate Tribunal
Income-tax Act, 1961	Assessment under Section 143 (3) read with Section 14(3)	4.70	2010-11	Commissioner of Income Tax - Appeals
Income-tax Act, 1961	Assessment under Section 201 (1) and 201 (1A)	11.20	2011-12	Commissioner of Income Tax - Appeals
Service Tax Rules, 1994	Demand notice	13.10	2006 to 2014	Commissioner of Service Tax

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

In the other subsidiaries and jointly controlled entity incorporated in India, based on the reports of other auditors of those subsidiaries, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs and duty of excise and value added tax or cess which have not been deposited on account of any dispute.

- c) The amount required to be transferred to Investor Education and Protection Fund by the Holding Company, has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

There were no amounts which were required to be transferred to Investor Education and Protection Fund by the subsidiaries and the jointly controlled entity incorporated in India in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

- viii. The Holding Company and some of its subsidiaries incorporated in India, based on report of the other auditors, as applicable, have no accumulated losses as at the end of the financial year and they have not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

In respect of certain subsidiaries and the jointly controlled entity incorporated in India, based on report of the other auditors, as applicable, the accumulated losses are exceeding fifty percent of its net worth as at the end of the financial year and they have also incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.

This clause is not applicable in one subsidiary as it has been incorporated for less than five years.

- ix. According to the records of the Holding Company examined by us and of the subsidiaries and the jointly controlled entity incorporated in India, the information and explanation given to us and based on the reports of the other auditors, the Holding Company its subsidiaries and jointly controlled entity

incorporated in India have not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.

- x. In our opinion and according to the information and explanations given to us, the Holding Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Based on the reports of the auditors of some subsidiaries, those companies have not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to them.

In the opinion of the auditors of some of the other subsidiaries, the terms and conditions on which the companies incorporated in India has given guarantees for loans taken by others from banks or financial institutions are prima facie not prejudicial to the interests of the Indian Group.

- xi. In our opinion, and according to the information and explanations given to us and based on the reports of the other auditors, the term loans obtained by the Holding Company, and some of its subsidiaries incorporated in India have been applied for the purposes for which they were obtained.

- xii. During the course of our examination of the books and records of the Holding Company and some of the subsidiaries carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and report of other auditors in respect of some of the subsidiaries incorporated in India and the jointly controlled entity, except for certain instances of theft of electricity by third parties as noticed and reported by the loss control cell of the Holding Company, the amount of which is not ascertainable for which appropriate action including recoveries has been undertaken by the Management, we have neither come across any instance of material fraud on or by the Holding Company, or its subsidiaries incorporated in India and the jointly controlled entity, noticed or reported during the year, nor have been informed of any such case by the Management.

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

Sougata Mukherjee  
Partner  
Membership No. : 057084

Kolkata  
May 21, 2015

# Consolidated Balance Sheet as at 31st March, 2015



₹ in Crore

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4	133.22	125.60
Reserves and surplus	5	5,895.81	5,509.41
		<u>6,029.03</u>	<u>5,635.01</u>
<b>Minority Interest</b>		1,000.41	907.93
<b>Non-current liabilities</b>			
Long-term borrowings	6	10,122.52	9,132.34
Deferred tax liabilities(net)	34	83.16	33.17
Advance against Depreciation		859.58	776.90
Consumers' Security Deposit		1,407.71	1,279.53
Other long term liabilities	7	1,872.91	1,776.83
Long-term provisions	8	187.31	167.34
		<u>14,533.19</u>	<u>13,166.11</u>
<b>Current liabilities</b>			
Short-term borrowings	9	1,935.53	1,053.08
Trade Payables		600.67	531.75
Other current liabilities	10	3,616.11	3,469.91
Short-term provisions	11	223.18	212.55
		<u>6,375.49</u>	<u>5,267.29</u>
<b>TOTAL</b>		<u>27,938.12</u>	<u>24,976.34</u>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	12	18,655.06	11,982.83
Intangible assets	13	2,213.63	2,528.27
Capital work-in-progress		410.16	5,311.74
(Includes share of Joint Venture - Nil; 31.03. 2014 ₹ 3.17 crore)		<u>21,278.85</u>	<u>19,822.84</u>
Non-current investments	14	73.50	73.66
Deferred tax assets (net)	34	310.53	310.53
Long-term loans and advances	15	476.29	539.85
Other non-current assets	16	745.26	237.72
		<u>22,884.43</u>	<u>20,984.60</u>
<b>Current assets</b>			
Current Investments	17	596.14	32.33
Inventories	18	662.53	538.30
Trade receivables	19	1,706.55	1,530.15
Cash and bank balances	20	1,049.16	1,209.88
Short-term loans and advances	21	254.73	241.68
Other Current Assets	22	784.58	439.40
		<u>5,053.69</u>	<u>3,991.74</u>
<b>TOTAL</b>		<u>27,938.12</u>	<u>24,976.34</u>
<b>Notes forming part of Consolidated Financial Statements</b>	1 - 58		

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, 21st May, 2015

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, 2015



₹ in Crore

Particulars	Note No.	2014-15	2013-14
Revenue from operations	24	11,066.63	10,110.85
Other income	25	149.01	173.35
<b>Total Revenue</b>		<b>11,215.64</b>	<b>10,284.20</b>
<b>Expenses</b>			
Cost of electrical energy purchased for Power Business		1,119.61	891.04
Cost of materials consumed for Retail Business	26	13.50	9.78
Purchases of stock-in-trade for Retail Business		1,372.40	1,198.96
Changes in inventories of finished goods, stock-in-trade and work-in-progress for Retail Business	27	(31.45)	(32.01)
Cost of fuel for Power Business	28	2,011.17	1,924.60
Employee benefit expenses	29	2,889.15	2,960.08
Finance costs	30	956.48	566.02
Depreciation and amortisation expenses	31	588.94	471.41
Other expenses	32	1,797.74	1,535.84
<b>Total expenses</b>		<b>10,717.54</b>	<b>9,525.72</b>
Profit before Taxation, Exceptional Items and Minority Interest		498.10	758.48
Exceptional Items (Net)		896.73	-
Less : credited (see note 48)		(896.73)	-
Profit before Taxation and Minority Interest		498.10	758.48
<b>Tax expenses:</b>			
Current tax		(230.22)	(214.72)
MAT Credit		33.52	26.90
Current tax (net)		(196.70)	(187.82)
Deferred tax (net)		(200.08)	(170.49)
Recoverable/(Payable)		197.57	172.72
Profit after Taxation and Exceptional Items before Minority Interest		298.89	572.89
Minority Interest		(100.38)	(81.25)
<b>Profit for the year - transferred to Surplus</b>		<b>198.51</b>	<b>491.64</b>
Earnings per share (Face Value of ₹ 10 per share) :			
Basic and Diluted	35	15.51	39.35
<b>Notes forming part of Consolidated Financial Statements</b>	1 - 58		

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, 21st May, 2015

Subhasis Mitra  
Company Secretary

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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, 2015

	₹ in Crore	
Particulars	2014-15	2013-14
<b>A. Cash flow from Operating Activities</b>		
Profit before Exceptional Items and Taxation	498.10	758.48
Adjustments for :		
Depreciation and amortisation expenses	588.94	471.41
Loss / (Profit) on sale / disposal of assets (net)	6.63	4.51
Gain on sale of current investments (net)	(36.12)	(26.03)
Dividend Income	–	(0.60)
Amortisation of Miscellaneous expenditure	0.72	0.72
Provision for obsolete stock	0.87	(0.74)
Allowances for doubtful debts, Store / Lease Deposits / Advances made / Security deposit	5.69	–
Bad debts / Advances made	31.68	26.62
Finance Cost	956.48	566.02
Interest Income	(36.85)	(62.23)
Advance against depreciation	82.68	62.67
Share Issue Expenses	20.55	–
Loss/Gain on foreign currency transaction (net) Exchange	43.91	(64.17)
Liability / Provision Written Back	2.33	(3.64)
Effect of Foreign Currency Transactions / Translation (net)	0.06	0.14
Rent expense on account of adoption of AS 30	1.76	1.86
Rental deposits written off	–	0.01
Preliminary Expenses written off	0.01	–
Pre-operative Expenses written off	0.01	–
<b>Operating Profit before Working Capital changes</b>	<b>2,167.45</b>	<b>1,735.03</b>
Adjustments for :		
Trade and other receivables	(967.56)	348.92
Inventories	(91.05)	(52.41)
Trade and other payables	31.23	433.60
<b>Cash Generated from Operations</b>	<b>1,140.07</b>	<b>2,465.14</b>
Income Tax Paid	(250.61)	(214.08)
<b>Net cash flow from Operating Activities</b>	<b>889.46</b>	<b>2,251.06</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets / Capital Work-in-Progress	(1,950.90)	(3,420.89)
Proceeds from Sale of Fixed Assets	10.63	34.61
Purchase of long term investments	(0.02)	–
Sale/(purchase) of Current Investments (net)	(520.31)	108.44
Redemption of Long Term Investments	–	30.00
Dividend received	1.92	0.60
Interest received	55.03	66.97
Advance to bodies Corporate for share subscription	(2.00)	–
Investment in subsidiary	(34.86)	–
<b>Net cash used in Investing Activities</b>	<b>(2,440.51)</b>	<b>(3,180.27)</b>

# Consolidated Cash Flow Statement for the year ended 31st March, 2015



₹ in Crore

Particulars	2014-15	2013-14
<b>C. Cash flow from Financing Activities</b>		
Issue of Share Capital	502.06	3.66
Share Issue Expenses	(20.55)	—
Proceeds from Long Term Borrowings ( net of refinance loan )	2,476.72	2,698.83
Repayment of Long Term Borrowings	(944.22)	(876.03)
Repayment of Public Deposits	(0.03)	(0.44)
Net increase/(decrease) in Cash Credit facilities and other Short Term Borrowings	565.51	105.42
Capital Contributions and Advance received from Consumers	65.94	106.54
Finance Costs paid	(1,197.79)	(1,113.42)
Dividends paid	(99.78)	(87.22)
Dividend tax paid	(16.99)	(14.86)
<b>Net Cash flow from Financing Activities</b>	<b>1,330.87</b>	<b>822.48</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>(220.18)</b>	<b>(106.73)</b>
<b>Cash and Cash equivalents - Opening Balance [Refer Note (c) below]</b>	<b>1,209.88</b>	<b>1,316.61</b>
<b>Cash and Cash equivalents on acquisition of subsidiaries</b>	<b>59.46</b>	<b>-</b>
<b>Cash and Cash equivalents - Closing Balance [Refer Note (c) below]</b>	<b>1,049.16</b>	<b>1,209.88</b>

## 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 Standards) Rules, 2006.
- b) Closing Balance of Cash and Cash equivalents represent “Cash and Bank balances” and includes ₹ 1.93 crore (31st March, 2014 - ₹ 1.76 crore) lying in designated accounts with banks on account of unclaimed dividends which are not available for use by the Company, ₹ 185.00 crore (31st March, 2014 - ₹ 150.75 crore) appropriated upto 31st March, 2015 towards Fund for unforeseen exigencies and interest attributable thereto.

<b>c) Cash and Cash Equivalents comprise :-</b>	<b>2014-15</b>	<b>2013-14</b>
Balances with Banks :		
In Current Account	375.27	519.12
Bank deposits with original maturity upto 3 months	280.44	295.96
Cheques, drafts on hand	109.20	102.15
Cash on hand	7.17	9.50
Other Bank Balances :		
Dividend Accounts	1.93	1.76
Bank deposits with original maturity more than 3 months	274.45	323.00
Deposit Accounts	—	—
Escrow Account	0.69	4.49
Less : Current Account balance held in trust for customers in respect of certain subsidiaries	—	46.11
Add : Share of Joint Venture	0.01	0.01
	<b>1,049.16</b>	<b>1,209.88</b>

- d) 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, 21st May, 2015

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, 2015	Percentage of ownership interest as at 31st March, 2014
1	Spencer's Retail Limited (SRL)	India	100	100
2	Music World Retail Limited (100% subsidiary of SRL)	India	100	100
3	Au Bon Pain Café India Limited (90% subsidiary of SRL)	India	90	80
4	CESC Properties Limited (CPL)	India	100	100
5	Metromark Green Commodities Private Limited (100% subsidiary of CPL)	India	100	100
6	CESC Infrastructure Limited (CIL)	India	100	100
7	Haldia Energy Limited (HEL) ( 100 % subsidiary of CIL)	India	100	100
8	Dhariwal Infrastructure Private Limited (DIL) ( 100 % subsidiary of CIL)	India	100	100
9	Surya Vidyut Limited (SVL)	India	100	100
10	Nalanda Power Company Limited	India	100	100
11	CESC Projects Limited	India	100	100
12	Bantal Singapore Pte Limited	Singapore	100	100
13	Pachi Hydropower Projects Limited	India	100	100
14	Papu Hydropower Projects Limited	India	100	100
15	Ranchi Power Distribution Company Private Limited	India	100	100
16	Spn Liq Private Limited	India	100	100
17	Firstsource Solutions Limited (FSL)	India	56.13	56.69
18	Firstsource Group USA, Inc. (FG USA) (100% subsidiary of FSL)	USA	56.13	56.69
19	Firstsource BPO Ireland Ltd. (100% subsidiary of FSL)	Ireland	56.13	56.69
20	Firstsource Solutions Limited UK (100% subsidiary of FSL ,UK)	UK	56.13	56.69
21	Anunta Tech Infrastructure Services Ltd. (100% subsidiary of FSL)	India	56.13	56.69
22	Firstsource-Dialog Solutions Pvt. Ltd.(FDS) (74% subsidiary of FSL)	Sri Lanka	41.54	41.95
23	MedAssist Holding, Inc. (100% subsidiary of FG USA)	USA	56.13	56.69
24	Firstsource Business Process Services, LLC (100% subsidiary of FG USA)	USA	56.13	56.69
25	Firstsource Solutions USA, LLC (100% subsidiary of MedAssist Holding, Inc.)	USA	56.13	56.69
26	Firstsource Advantage, LLC (100% subsidiary of Firstsource Business Process Services)	USA	56.13	56.69
27	Firstsource Transaction Services, LLC (100% subsidiary of FS US LLC)	USA	56.13	56.69
28	Firstsource Solutions S.A. (Argentina) (99.98% subsidiary of FSL UK)	Argentina	56.12	56.68
29	Twin Lakes Property LLC (Twinlakes-I ) *	USA	-	56.69
30	Twin Lakes Property LLC (Twinlakes-II ) *	USA	-	56.69
31	One Advantage LLC (100% subsidiary of FBPS w.e.f 6th August, 2014 )	USA	56.13	-
32	MedAssist Holding LLC (100% subsidiary of FG USA)	USA	56.13	-
33	Crescent Power Limited (subsidiary w.e.f 30th March, 2015)	India	51.17	-
34	Sheesham Commercial Private Limited (subsidiary w.e.f 29th January, 2015)	India	100	-
35	Wigeon Commotrade Private Limited (subsidiary w.e.f 12th February, 2015)	India	100	-
36	Water Hyacinth Commosale Private Limited (subsidiary w.e.f 29th January, 2015)	India	100	-

The subsidiary companies appearing in Sl. Nos. 5 to 16 except Sl. No.7, 8 & 9 are yet to commence their commercial operations.

\* Ceased to be a subsidiary in the previous year

**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, 2015 stands at 50%. The company was incorporated for the development of Mahuagarhi coal field and exploration of coal therefrom. Refer note 47 below.

**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, modified by revaluation of certain fixed assets as stated in item 3(c). 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.

**(c) Tangible Assets**

Tangible Assets are stated at historical cost of acquisition except tangible assets other than furniture and vehicles acquired upto 31st March, 2005 of the Parent. Those assets 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 software, brands / trademarks, knowhow and licences, 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. In respect of one of the subsidiary individual assets costing upto Rupees five thousand are depreciated in full in the period of purchase.

**(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 and in case of one of another subsidiary as per the rates and in the manner specified in tariff order governing the respective projects issued by Rajasthan Electricity Regulatory Commission (RERC) and Gujarat Electricity Regulatory Commission (GERC) as applicable.

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, manufacturers' warranties and maintenance support, etc. However, the lives considered are lower than those indicated in Schedule II and the gross block of those assets as at 31st March, 2015 amounts to ₹ 1049.24 crore (31.03.2014 : ₹ 1023.57 crore).

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. Hitherto depreciation for such assets used to be provided at rates prescribed in Schedule XIV to the Companies Act, 1956. In view of the aforesaid change in computing the depreciation / amortization, depreciation for the year is lower by ₹ 46.36 crore with corresponding impact on the profit of the Group for the year. Also ₹ 4.25 crore has been adjusted with opening retained earnings. 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.

## (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, assets and liabilities including fixed assets are translated at exchange rates prevailing at the date of the Balance Sheet. The items in the Statement of Profit and Loss are translated at the average exchange rate during the period.

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 shareholders' 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 shareholders' 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 shareholders' 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 in 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.

## **(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, 2015	As at 31st March, 2014	
<b>NOTE - 4 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 (31.03.2014 : 13,12,35,897) Equity Shares of ₹ 10/- each		<b>138.86</b>	131.24	
(c) Subscribed and paid up capital 13,25,57,043 ( 31.03.2014 : 12,49,35,925 Equity Shares of ₹ 10/- each)		<b>132.56</b>	124.94	
(d) Forfeited Shares (amount originally paid up)		<b>0.66</b>	0.66	
		<b>133.22</b>	125.60	
(e) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>		
	<b>No. of shares</b>	<b>Amount</b>	<b>No. of shares</b>	<b>Amount</b>
		<b>(₹ In Crore)</b>		<b>(₹ In Crore)</b>
(i) Balance at the beginning of the year	<b>12,49,35,925</b>	<b>124.94</b>	12,49,35,925	124.94
(ii) Add : equity share issued during the year	<b>76,21,118</b>	<b>7.62</b>	-	-
(iii) Closing Balance at the end of the year	<b>13,25,57,043</b>	<b>132.56</b>	12,49,35,925	124.94
(f) 76,21,118 Equity Shares of ₹ 10 each fully paid up were allotted on 5th November, 2014 for cash at premium of ₹ 634 per Equity Share to Qualified Institutional Buyers in compliance with applicable legal requirements.				
(g) 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. During the year ended 31st March, 2015 the amount of dividend per share recommended by the Board of Directors as distributions to equity shareholders is ₹ 9 (31.03.2014 - ₹ 8 ) subject to declaration at the ensuing Annual General Meeting by the members. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive sale proceeds from remaining assets of the Parent after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders .				
(h) Details of shareholders holding more than 5% shares in the Parent				
	<b>As at 31st March, 2015</b>		<b>As at 31st March, 2014</b>	
<b>Name of shareholder</b>	<b>No. of shares</b>	<b>% of holding</b>	<b>No. of shares</b>	<b>% of holding</b>
Rainbow Investments Limited	<b>5,85,53,331</b>	<b>44</b>	3,10,58,414	25
Universal Industrial Fund Limited	-	-	1,77,91,421	14
HDFC Trustee Company Limited	<b>1,12,05,021</b>	<b>8</b>	1,12,05,021	9

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

	₹ in Crore	
	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 5 RESERVES AND SURPLUS</b>		
(a) Capital contribution from consumer as at beginning of the year	816.62	710.24
Add : Contribution during the year	107.07	106.38
	<b>923.69</b>	816.62
(b) Capital Reserve on consolidation	545.82	502.29
Less : Adjusted with Goodwill on consolidation	545.82	502.29
	-	-
(c) Capital Redemption Reserve	20.13	20.13
(d) Securities Premium Account as at the beginning of the year	1,254.85	1,254.85
Add : Addition during the year	483.18	-
	<b>1,738.03</b>	1,254.85
(e) Revaluation Reserve as at the beginning of the year	961.23	1,058.91
Less : Withdrawal on account of depreciation / amortisation on amount added on revaluation	109.76	96.10
	<b>851.47</b>	962.81
Less : Withdrawal of the residual amount added on revaluation consequent to sale/disposal of revalued assets	0.92	1.58
	<b>850.55</b>	961.23
(f) Fund for unforeseen exigencies at the beginning of the year	179.18	141.55
Add : Transfer during the year from Surplus (Refer Note (i) below)	16.27	37.63
	<b>195.45</b>	179.18
(g) Hedge Reserve as at the beginning of the year	12.49	15.61
Add / (Less) : Movement during the year	38.44	(3.12)
Add / (Less) : Consequent to change in group interest	0.03	(0.00)
	<b>50.96</b>	12.49
(h) Foreign Currency Translation Reserve as at the beginning of the year	119.18	6.76
Add: Movement during the year	32.12	112.67
Less: Consequent to change in group interest	1.89	0.25
	<b>149.41</b>	119.18
(i) General Reserve as at the beginning of the year	3,452.02	2,952.02
Add : Transfer during the year from Surplus	520.00	500.00
	<b>3,972.02</b>	3,452.02
(j) Surplus as at the beginning of the year	(1,306.29)	(1,142.10)
Add : Profit for the year	198.51	491.64
Less : Adjustment of amalgamation	207.19	-
Less : Transfer to General Reserve	520.00	500.00
Less: Consequent to change in group interest	5.23	1.26
Less : Transfer to fund for unforeseen exigencies	16.39	37.63
Less: Adjustment on depreciation	4.25	-
Less : Proposed Dividend	119.30	99.95
Less : Tax on Proposed Dividend	24.29	16.99
	<b>(2,004.43)</b>	(1,306.29)
	<b>5,895.81</b>	5,509.41
(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, 2015	As at 31st March, 2014
<b>NOTE - 6 LONG-TERM BORROWINGS</b>			
<b>(A) Secured</b>			
<b>Term Loans</b>			
(1) Rupee Loans :			
(i) Banks		8,292.98	6,302.07
(ii) Financial Institutions		256.43	218.38
		8,549.41	6,520.45
(2) Foreign Currency Loans from banks		3,135.32	3,813.07
(3) Finance Lease obligations		20.19	10.76
		11,704.92	10,344.28
<b>(B) Unsecured</b>			
(i) Banks		556.00	515.00
(ii) Rupee Loan from Financial Institutions		5.59	4.03
		561.59	519.03
		12,266.51	10,863.31
Less : Current maturities of long term borrowing transferred to Other Current Liabilities ( Refer Note 10)		2,143.99	1,730.97
		10,122.52	9,132.34
<b>(C) Nature of Security :</b>			
1. (i) Out of the Term Loans in (A) above in respect of the Parent, ₹ 3436.40 crore are secured , ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Parent including its land, building and any other constructions thereon, plant and machinery etc as a first charge and as a second charge, by hypothecation of the Parent's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances. However, creation of the said mortgage security in respect of five Rupee loans aggregating ₹ 907.50 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) ₹ 656.91 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, ₹ 200.93 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, ₹ 3039.35 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 and the construction thereon where exists and plant and machinery etc and hypothecation of subsidiary's current assets.			
4. (i) Out of the Term Loan in (A) above, ₹ 2248.89 crore in respect of another subsidiary are secured with first charge by way of mortgage / hypothecation of fixed assets of the subsidiary's including its land, buildings and the construction thereon where exists and plant and machinery etc and hypothecation of subsidiary's current assets.			
(ii) Out of the Foreign Currency Loan in (A) above, loans amounting to ₹ 533.81 crore in respect of the above subsidiary are secured with first charge by way of mortgage/hypothecation of fixed assets of the subsidiary including its land, buildings and the construction thereon where exists and plant and machinery etc and hypothecation of subsidiary's current assets.			
(iii) Out of the Foreign Currency Loan in (A) above, loan of ₹ 189.18 crore in respect of the above subsidiary is secured with second charge by way of hypothecation of movable fixed assets and current assets of the subsidiary.			
iv) Out of the Foreign Currency Loan in (A) above, loan of ₹ 201.34 crore in respect of the above subsidiary is secured by subservient charge on all current assets and movable fixed assets of the subsidiary (both present and future) to be executed by way of hypothecation only.			
5. (i) In respect of one of the subsidiaries, the Term Loan of ₹ 95 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, Gujarat. Creation of mortgage security as aforesaid on immovable fixed assets of the above project is currently under process.			

- (ii) Foreign Currency Loan of ₹ 117.29 crore in (A) above is secured with 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 24 MW wind project at Jaisalmer, Rajasthan.
- 6 (i) In respect of certain subsidiaries, out of foreign currency loans, in (A) above, loans amounting to ₹ 123.13 crore is secured against pari passu charge on all current assets, non-current assets and fixed assets of such subsidiaries except assets of Anunta Tech Infrastructure Services Ltd and FDS.
- (ii) Term Loan of ₹ 566.46 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 except assets of Anunta Tech Infrastructure Services Ltd and FDS and guarantee given by Firstsource Solutions Limited.
- (iii) Finance lease obligation amounting to ₹ 20.19 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 ₹ 50 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 ₹ 150 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 the loan to the banker.
8. Term loan of ₹ 76.06 crore in (A) above, in respect of one of the subsidiaries, from financial institution are secured by hypothecation of current assets of the subsidiary including its stock of stores, coal and other movables, book debts, monies receivables and bank balances and equitable mortgage / hypothecation of the fixed assets of the subsidiary including its land, buildings and all construction thereon and plant and machinery, both present and future. The security mentioned above rank pari passu inter se and with the security for overdrafts from banks.

(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 2015	Balance outstanding as on 31st March, 2015					
	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Finance Lease Obligations	Foreign Currency Loans	Total	Current Maturities
Loans with residual maturity of upto one year	205.55	-	-	572.17	777.72	777.72
Loans with residual maturity between 1 and 3 years	570.17	39.72	20.19	1,139.22	1,769.30	551.66
Loans with residual maturity between 3 and 5 years	1,474.69	76.06	-	567.89	2,118.64	262.71
Loans with residual maturity between 5 and 10 years	1,901.68	146.25	-	322.24	2,370.17	270.05
Loans with residual maturity beyond 10 years	4,696.87	-	-	533.81	5,230.68	281.85
<b>Total</b>	<b>8,848.96</b>	<b>262.03</b>	<b>20.19</b>	<b>3,135.33</b>	<b>12,266.51</b>	<b>2,143.99</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.						

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

	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 7 OTHER LONG TERM LIABILITIES</b>		
(a) Trade Payables	220.75	182.97
(b) Others*	1,652.16	1,593.86
	<b>1,872.91</b>	<b>1,776.83</b>

\* Others represent those arising from adjustments detailed in Note 24, 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, 2015	As at 31st March, 2014
<b>NOTE 8 LONG TERM PROVISIONS</b>		
Provision for employee benefits	187.31	167.34
	<b>187.31</b>	<b>167.34</b>

	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 9 SHORT-TERM BORROWINGS</b>		
<b>A. Secured</b>		
Loans repayable on demand		
(i) Overdraft from banks	490.00	602.19
(ii) Working Capital demand loan	187.50	179.76
<b>B. Unsecured</b>		
Loans repayable on demand		
(i) Export Finance from Bank	100.71	66.13
(ii) Overdraft from banks	27.82	-
(iii) Short term Loan from banks	429.50	205.00
(iv) Commercial paper	700.00	-
	<b>1,935.53</b>	<b>1,053.08</b>

## C. Nature of Security

- The overdraft facilities from bank in respect of the Parent amounting to ₹ 216.58 Crores 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 ₹ 467 crore is in process.
- The working capital demand loan of ₹ 187.50 crore in (A) (i) above, in respect of one of the subsidiaries is secured against charge on certain current assets, non-current assets and fixed assets of that subsidiary and guarantee given by Firstsource Solutions Limited.
  - Export finance from banks of ₹ 100.71 Crores in (B) (ii) above, in respect of one of the above subsidiary, including post shipment and pre shipment, is repayable on demand/receipt from customers.
- The overdraft facilities from banks in respect of one of the subsidiaries amounting to ₹ 20 Crores in (A) (i) above, is secured against margin money deposits.
- The overdraft facilities from banks in respect of one of the subsidiaries amounting to ₹ 168.79 Crores in (A) (i) above, is secured with first charge by way of hypothecation of current assets of that subsidiary.
- The overdraft facilities from banks in respect of one of the subsidiaries amounting to ₹ 84.63 Crores in (A) (i) above, is secured with first charge by way of hypothecation of current assets of that subsidiary.

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

		₹ in Crore	
		As at 31st March, 2015	As at 31st March, 2014
<b>NOTE 10</b>	<b>OTHER CURRENT LIABILITIES</b>		
(a)	Current maturities of long-term borrowings (Refer Note 6)	2,132.71	1,725.47
(b)	Current maturities of finance lease obligations (Refer Note 6)	11.28	5.50
(c)	Interest accrued but not due on borrowings	65.87	77.19
(d)	Interest accrued and due on borrowings	0.54	0.05
(e)	Book overdraft from Banks	54.71	27.39
(f)	Unclaimed dividend	1.93	1.76
(g)	Unclaimed public deposit	-	0.03
(h)	Liabilities on capital account	533.00	566.82
(i)	Other payables	815.94	1,065.65
(j)	Add : Share of Joint Venture (Refer Note 1c )	0.13	0.05
		<b>3,616.11</b>	<b>3,469.91</b>
(k)	Unclaimed dividend and unclaimed Public Deposits in respect of the Parent do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.		
(l)	Other payables includes outstanding interest on consumer security deposit, employee related liability, creditors towards contractual obligations etc.		

		₹ in Crore	
		As at 31st March, 2015	As at 31st March, 2014
<b>NOTE 11</b>	<b>SHORT TERM PROVISIONS</b>		
(a)	Provision for employee benefits	60.26	66.64
(b)	Provision for taxation (net of advance tax )	6.09	16.81
(c)	Proposed Dividend	119.30	99.95
(d)	Tax on Proposed Dividend	24.29	16.99
(e)	Provision for Claims on Lease Property	11.13	12.16
(f)	Provision for Loyalty Points	0.49	-
(g)	Provision for Tax Disputes	1.62	-
		<b>223.18</b>	<b>212.55</b>

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

NOTE 12 - TANGIBLE ASSETS										₹ in Crore	
PARTICULARS	GROSS BLOCK AT COST OR VALUATION					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2014	Additions / Adjustments on Acquisition	Additions / Adjustments**	Withdrawals / Adjustments	As at 31st March, 2015	As at 1st April, 2014	Additions / Adjustments on Acquisition	Additions / Adjustments	Withdrawals / Adjustments**	As at 31st March, 2015	As at 31st March, 2014
Land											
Freehold	863.31	4.13	6.47	-	873.91	0.10	-	-	-	873.81	863.21
Leasehold *	499.92	-	41.17	-	541.09	35.12	-	3.26	-	502.71	464.80
Buildings and Structures	1,769.80	15.17	547.91	17.51	2,315.37	541.49	5.22	69.60	13.46	1,712.52	1,228.31
Plant and Equipment	8,644.54	245.04	5,205.32	10.41	14,084.49	3,139.43	66.07	337.43	8.80	3,534.13	5,505.11
Transmission and Distribution System	5,245.67	-	1,200.09	40.60	6,405.16	1,866.93	-	171.60	36.65	2,001.88	3,378.74
Meters and Other Apparatus on Consumers' Premises	528.52	-	28.99	3.26	554.25	267.66	-	23.34	2.62	288.38	260.86
River Tunnel	4.88	-	-	-	4.88	3.03	-	0.26	-	3.29	1.85
Furniture and Fixtures	185.37	0.28	16.80	5.31	197.14	104.61	0.56	15.99	3.24	118.05	80.76
Office Equipments	440.71	0.51	32.26	13.90	459.58	334.85	3.69	27.02	10.90	354.99	105.86
Electrical Installations	7.08	-	3.41	0.37	10.12	1.98	-	1.69	0.18	3.49	5.10
Vehicles	20.42	0.04	1.20	0.74	20.92	13.41	-	1.76	0.46	14.74	7.01
Railway Sidings	103.16	-	72.58	-	175.74	21.94	-	5.37	-	27.31	81.22
	<b>18,313.38</b>	<b>265.17</b>	<b>7,156.20</b>	<b>92.10</b>	<b>25,642.65</b>	<b>6,330.55</b>	<b>4.25</b>	<b>71.78</b>	<b>76.31</b>	<b>6,987.59</b>	<b>11,982.83</b>
Previous Year	14,474.45	-	3,996.70	157.77	18,313.38	5,853.96	-	532.26	55.67	6,330.55	11,982.83

Note : \* Execution of long term lease deeds in respect of three plots of land acquired from CTC during the year is in process

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

#Based on transitional provision provided in note 7 (b) of schedule II of the Companies Act 2013 an amount of ₹ 4.25 crore has been adjusted with retained earnings.

Depreciation for the year includes ₹ 2.93 crore (previous year ₹ 5.23 crore) being accelerated depreciation on certain moveable items not in use from closed / disposed stores.

NOTE 13 - INTANGIBLE ASSETS										₹ in Crore	
PARTICULARS	GROSS BLOCK AT COST OR VALUATION					AMORTISATION				NET BLOCK	
	As at 1st April, 2014	Additions / Adjustments on Acquisition	Additions / Adjustments*	Withdrawals / Adjustments	As at 31st March, 2015	As at 1st April, 2014	Additions / Adjustments on Acquisition	Additions / Adjustments	Withdrawals / Adjustments*	As at 31st March, 2015	As at 31st March, 2014
Goodwill on consolidation	2,438.13	(43.53)	2.02	260.40	2,136.22	-	-	2.02	-	2,134.20	2,438.13
Goodwill (Acquired)	101.08	-	4.40	-	105.48	70.50	-	19.85	(3.39)	93.74	30.58
Trademarks	32.00	-	-	-	32.00	8.00	-	1.60	-	22.40	24.00
Licence	14.08	-	6.50	0.08	20.50	5.17	-	1.34	0.04	14.03	8.91
Computer Software	175.54	-	24.98	0.14	200.38	148.89	-	17.61	(2.62)	169.12	26.65
	<b>2,760.83</b>	<b>(43.53)</b>	<b>37.90</b>	<b>260.62</b>	<b>2,494.58</b>	<b>232.56</b>	<b>-</b>	<b>42.42</b>	<b>(5.97)</b>	<b>280.95</b>	<b>2,528.27</b>
Previous Year	2,488.36	-	299.97	27.50	2,760.83	196.19	-	36.86	0.49	232.56	2,528.27

During the year certain subsidiaries have merged effective 31st March 2015. The scheme was recorded by the State of Delaware. As a result of the merger and as specified in the Scheme, the excess of investment over the value of net assets and reserves taken over has been adjusted against the reserves (balance in profit and loss) to the extent of ₹ 207.19 Crores and the balance amounting to ₹ 1939.40 Crores has been considered as Goodwill in the consolidated financial statements.

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

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

	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 14 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) Investments in Equity Instruments</b>		
60,00,000 Equity Shares of Crescent Power Limited of ₹ 10 each	-	6.00
<b>(b) Investment in Mutual Fund</b>		
Philippines Treasury Bills*	2.76	2.68
1,000, (31.03. 2014 : Nil) fully paid Equity Shares of ₹ 10 each of Nanobi Data and Analytics Private Limited	0.01	-
3,76,884 ( 31.03.2014 : Nil) fully paid compulsory Convertible Cumulative Preference Shares of ₹ 10 each of Nanobi Data and Analytics Private Limited	2.99	-
<b>(c) 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 (31.03.2014 : 1,21,95,122) Equity Shares of Resource Generation Limited (Market value - ₹ 12.30 crore)**	67.72	64.96
<b>D. All non- current investments are long term in nature.</b>	<b>73.50</b>	<b>73.66</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.

	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 15 LONG-TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
(a) Capital advances	239.88	281.60
(b) Security Deposits	76.84	79.18
(c) Deposits (Refer note 41)	35.70	33.70
(d) Advance tax (net of provision for tax)	64.61	61.30
(e) Share Application money to bodies corporate	24.00	22.00
(f) Other Loans and advances	35.26	62.07
(Includes advance for property acquisition, employee related loans etc.)		
<b>Unsecured, considered doubtful</b>		
Security Deposits	0.79	0.91
Less : Allowances for doubtful advances	0.79	0.91
	-	-
	<b>476.29</b>	<b>539.85</b>

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

	₹ in Crore	
	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 16 OTHER NON-CURRENT ASSETS</b>		
(a) Long Term Trade Receivables	608.34	118.75
(b) Unamortised Cost (Refer Note 41)	2.54	3.31
(c) Minimum Alternate Tax credit carried forward	105.15	86.53
(d) Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted	2.86	3.58
(e) Bank deposits with maturity more than 12 months (Refer note (h) below)	2.00	0.05
(f) Margin money deposits (Refer note (i) below)	24.09	25.29
(g) Interest receivable on deposits	0.28	0.21
	<b>745.26</b>	<b>237.72</b>
(h) Includes in respect of certain subsidiaries, ₹ Nil (31.03.2014 : ₹ 0.05 crore) under lien for bank guarantees with customs authorities		
(i) Represents deposits pledged with banks against Bank Guarantee and Overdraft facilities with respect to certain subsidiaries.		
<b>NOTE - 17 CURRENT INVESTMENTS</b>		
<b>Unquoted</b>		
<b>(a) Investments in Equity Instruments</b>		
29,728,500 Equity Shares of Noida Power Company Limited of ₹ 10 each*	29.73	29.73
78,00,000 ( 31.03. 2014 : Nil) Equity shares of APA Services Private Limited of Rs.10 each	7.80	-
<b>(b) Investments in Mutual Funds</b>		
4,73,425 ( 31.03.2014 : 1,37,087) units of ICICI Prudential Liquid - Direct Plan Growth	9.80	2.60
72,94,604.939 units (31.03.2014 : Nil) of ₹ 207.0023 each of ICICI Prudential Liquid - Direct Plan - Growth	151.00	-
44,55,361.069 units (31.03.2014 : Nil) of ₹ 224.4487 each of Birla Sun Life Cash Plus - Direct Plan - Growth	100.00	-
3,62,32,146.610 units (31.03.2014 : Nil) of ₹ 27.5998 each of HDFC Liquid Fund - Direct Plan - Growth	100.00	-
1,76,213.4286 units (31.03.2014 : Nil) of ₹ 2,837.4682 each of Kotak Liquid Scheme Plan A - Direct Plan - Growth	50.00	-
2,25,778.936 units (31.03.2014 : Nil) of ₹ 1,550.1889 each of Axis Liquid Fund - Direct Plan - Growth	35.00	-
1,36,498.571 units (31.03.2014 : Nil) of ₹ 2,197.8252 each of SBI Premier Liquid Fund - Direct Plan - Growth	30.00	-
73,325.620 units (31.03.2014 : Nil) of ₹ 3,409.4495 each of Reliance Liquid Fund Treasury Plan -Direct Plan-Growth	25.00	-
21,838 ( 31.03.2014 Nil) units of Kotak floater Short Term-Direct Plan-Growth	15.00	-
4,24,365 (31.03.2014 : Nil) units of DWS Insta Cash Plus Fund-Direct Plan-Growth	7.70	-
32,348 ( 31.03.2014 :Nil) units of SBI Magnum Insta Cash Fund -Direct Plan-Growth	10.01	-
29,656 ( 31.03.2014 : Nil) units of Reliance Liquid Fund -Treasury Plan-Direct Growth Plan-Growth Option	10.10	-
52,016 ( 31.03.2014: Nil) units of Religare Invesco Liquid Fund-Direct Plan-Growth	10.00	-
17,12,000 (31.03.2014 : Nil) units of HDFC Cash Management Fund-Saving Plan-Direct Plan-Growth Option	5.00	-
	<b>596.14</b>	<b>32.33</b>

\*The group's temporary investments in the equity share capital of Noida Power Company Limited has been classified as current investments as the group has been pursuing its plan to transfer the holdings.

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

	₹ in Crore	
	As at 31st March, 2015	As at 31st March, 2014
<b>NOTE - 18 INVENTORIES</b>		
(a) Raw Materials	1.40	1.51
(b) Work in Progress	-	0.01
(c) Finished Goods	0.23	0.33
(d) Traded Goods	173.80	142.24
(e) Fuel (includes goods in transit ₹ 71.39 crore; 31.03.2014 : ₹ 23.57 crore)	278.30	217.39
(f) Stores and Spares ( includes goods in transit ₹ 1.35 crore; 31.03.2014 : ₹ 1.74 crore)	211.71	179.09
(g) Packing Materials	2.49	2.28
	<u>667.93</u>	<u>542.85</u>
Less : Provision for obsolete stock of Traded Goods and Packing Materials	5.40	4.55
	<u>662.53</u>	<u>538.30</u>
<b>NOTE - 19 TRADE RECEIVABLES</b>		
(a) Outstanding for a period exceeding six months from due date of payment		
Secured, considered good	32.83	32.35
Unsecured, considered good	204.22	231.51
Doubtful	7.86	6.46
	<u>244.91</u>	<u>270.32</u>
Less : Allowances for doubtful debts	7.86	6.46
	<u>237.05</u>	<u>263.86</u>
(b) Other receivables		
Secured, considered good	745.52	653.42
Unsecured, considered good	723.98	612.87
Unsecured, considered doubtful	-	2.47
	<u>1,469.50</u>	<u>1,268.76</u>
Less : Allowances for doubtful debts	-	2.47
	<u>1,469.50</u>	<u>1,266.29</u>
	<u>1,706.55</u>	<u>1,530.15</u>
<b>NOTE - 20 CASH AND BANK BALANCES</b>		
(a) Cash and cash equivalents		
Balances with banks		
In Current Account	378.11	519.12
Bank deposits with original maturity upto 3 months	280.44	295.96
Cheques, draft on hand	109.20	102.15
Cash on hand	7.17	9.50
	<u>774.92</u>	<u>926.73</u>
(b) Other bank balances		
Dividend Accounts	1.93	1.76
Bank deposits with original maturity more than 3 months (Refer note (e) , (f) , (g) & (h) below)	274.45	323.00
Deposit Accounts	-	-
Escrow Account	0.69	4.49
	<u>277.07</u>	<u>329.25</u>
(c) Less : Current account balance held in trust for customers in respect of certain subsidiaries	2.84	46.11
	<u>1,049.15</u>	<u>1,209.87</u>
(d) Add : Share of Joint Venture [Refer note 1(c)]	0.01	0.01
	<u>1,049.16</u>	<u>1,209.88</u>

## 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, 2015 includes ₹ 185.00 crore (31.03.2014 : ₹ 150.75 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 ₹ 31 crore (31.03.2014: ₹ Nil) having maturity more than 12 months as on the reporting date.
- (g) Includes amount of ₹ Nil (31.03. 2014 : ₹ 1.50 crore) towards line of credit.
- (h) Bank deposits with original maturity more than 3 months under Other bank balances includes ₹ 2 crore ( 31.03.2014 : ₹ Nil) in the form of lien marked fixed deposit to lender.

	As at 31st March, 2015	₹ in Crore As at 31st March, 2014
<b>NOTE - 21 SHORT-TERM LOANS AND ADVANCES</b>		
Other Advances		
(Unsecured, considered good)		
Advance for goods and services	48.28	44.47
Security deposit / advances	4.30	-
Advance tax (net)	12.99	4.36
Others (refer note (a) & (b) below)	189.16	192.85
	<b>254.73</b>	<b>241.68</b>
(Unsecured, considered doubtful)		
Security deposit / advances	0.01	0.01
Less :Allowances for doubtful advances	(0.01)	(0.01)
	<b>-</b>	<b>-</b>
	<b>254.73</b>	<b>241.68</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 ( 31.03.2014 : ₹ Nil ) against matter under litigation.

	As at 31st March, 2015	₹ in Crore As at 31st March, 2014
<b>NOTE - 22 OTHER CURRENT ASSETS</b>		
(a) Deferred Payment	194.33	196.71
(b) Unbilled Revenue	205.40	211.05
(c) Receivable towards claims and services rendered - (considered good)	6.22	0.54
(d) Others		
Insurance claim receivables	0.34	-
Others	300.07	3.33
Interest accrued on Deposits	7.05	25.18
Unamortised cost (Refer note 41)	1.86	1.87
MAT credit carried forward	14.91	-
Exchange gain on derivative contract	53.68	-
(e) Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted	0.72	0.72
	<b>784.58</b>	<b>439.40</b>

## NOTE - 23 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 Rs 4.6 Crore and furnished a surety of Rs 4.6 Crore 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 2015 is ₹ 11.13 crore (31.03.14 : ₹ 11.08 crore).
- (iii) The joint venture company has provided a bank guarantee with a validity period upto 7th April 2015 amounting to ₹ 41 crore in favor of The President of India, acting through the Ministry of Coal, Govt of India towards future liability of the joint venture in the Royalty for one year in respect of allocation of Mahuagarhi Coal Block in the State of Jharkhand. The exposure of the group in the joint venture company is limited to 50%. No claim against the said guarantee has been lodged.
- (iv) Others ₹ 4.67 crore (31.03.2014 : ₹ 4.43 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 ₹ 223.99 crore (31.03.2014 : ₹ 708.53 crore), ₹ 1597.48 crore (31.03.2014 : ₹ 150 crore) and ₹ 104.59 crore (31.03.2014 : ₹ 132.08 crore) respectively.

(c) Other money for which the Group is contingently liable :

₹ in Crore

Particulars	31st March, 2015	31st March, 2014
- Income Tax *	136.42	124.03
- Sales tax demands under appeal	2.99	1.30
- Service tax demands under appeal	18.66	18.09
- Guarantees given	0.62	0.34
- Municipal Tax	-	1.12
- Entry Tax	15.81	-
- Bank Guarantee (also refer note 23 (a) (iii))	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 ₹ 10.29 crore (31.03.2014 : ₹ 7.29 crore).

The future cash outflow in respect of above cannot be ascertained at this stage.

- (d) For commitment relating to leasing arrangement, refer Note 33.

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

	₹ in Crore	
	2014-15	2013-14
<b>NOTE - 24 REVENUE FROM OPERATIONS</b>		
(a) Earnings from sale of electricity	6,273.63	5,509.73
(b) Earnings from sale of retail products (net of Excise Duty)	1,622.78	1,416.24
(c) Earnings from sale of services	3,001.52	3,126.42
(d) Earnings from Mall operations	74.63	12.27
(e) Other Operating Revenue		
Meter Rent	45.63	44.01
Others	48.44	2.18
	<b>11,066.63</b>	<b>10,110.85</b>

- (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 ₹ 207.74 crore (previous year : ₹ (0.95) crore) in respect of the cost of electrical energy purchased, fuel and related costs and also those relating to revenue account, based on the Parent'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. 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 ₹ 65.66 crore (previous year : ₹ 62.41 crore) and ₹ 82.68 crore (previous year : ₹ 62.67 crore) respectively.

	₹ in Crore	
	2014-15	2013-14
<b>NOTE - 25 OTHER INCOME</b>		
(a) Interest Income	38.48	62.23
(b) Dividend Income	-	0.60
(c) Income from Recoveries and Services	58.81	50.34
(d) Gain on sale of current investments (net)	38.06	26.03
(e) Delayed Payment Surcharge	-	13.46
(f) Profit on sale of assets	0.48	4.25
(g) Other Non-operating Income	24.47	28.58
	<b>160.30</b>	<b>185.49</b>
Less : Allocated to capital account *	11.29	12.14
	<b>149.01</b>	<b>173.35</b>

\* includes in respect of one of the subsidiaries interest income of ₹ 0.28 crore (previous year : ₹ Nil) and net gain / (loss) on sale of current investment of ₹ 0.01 crore (previous year : ₹ Nil).

	₹ in Crore	
	2014-15	2013-14
<b>NOTE - 26 COST OF MATERIALS CONSUMED</b>		
Opening Stock of Raw Material	1.51	0.83
Add : Purchases	13.39	10.46
Less : Closing stock of Raw Material	1.40	1.51
	<b>13.50</b>	<b>9.78</b>

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

	₹ in Crore	
	2014-15	2013-14
<b>NOTE - 27 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	0.33	0.09
Stock-in-trade	142.24	110.42
Work-in-progress	0.01	0.06
Total (A)	142.58	110.57
Less : Stock at the end of the year :		
Finished Goods	0.23	0.33
Stock-in-trade	173.80	142.24
Work-in-progress	-	0.01
Total (B)	174.03	142.58
(Increase) / decrease in stocks (A-B)	(31.45)	(32.01)

## NOTE - 28 COST OF FUEL FOR POWER BUSINESS

- (a) Cost of Fuel includes freight ₹ 345.86 crore (previous year: ₹ 291.47 crore).  
(b) Cost of Fuel includes gain of ₹ 1.78 crore (previous year: loss of ₹ 7.37 crore) due to exchange fluctuations.

		2014-15	2013-14
(a) Consumption of coal			
Quantity	Tonnes	59,57,255	57,65,821
Value	₹ in Crore	1,975.72	1,896.55
(b) Consumption of oil			
Quantity	Kilolitres	5,865.21	4,028.55
Value	₹ in Crore	35.45	28.05

	₹ in Crore	
	2014-15	2013-14
<b>NOTE - 29 EMPLOYEE BENEFITS EXPENSE</b>		
(A) 1. Salaries, wages and bonus	2,698.16	2,768.84
2. Contribution to provident and other funds	194.91	200.89
3. Employees' welfare expenses	127.87	115.27
	3,020.94	3,085.00
Less : Allocated to capital account etc.	131.79	124.92
	2,889.15	2,960.08

### (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 ₹ 85.37 crore (previous year : ₹ 67.20 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 - 29 EMPLOYEE BENEFIT EXPENSES (Contd.)

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

₹ in Crore

	For the year ended 31st March, 2015					For the year ended 31st March, 2014				
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee
Present value of funded obligation/ yet to be funded obligation	310.61	0.24	-	-	-	257.38	-	-	-	-
Fair Value of Plan Assets	250.55	-	-	-	-	199.63	-	-	-	-
	60.06	0.24	-	-	-	57.75	-	-	-	-
Present value of un-funded obligation	0.78	109.63	42.23	24.68	-	0.47	91.68	32.84	25.78	2.20
Unrecognised past service cost	-	-	-	-	-	-	-	-	-	-
Net Liability/(Asset)	60.84	109.87	42.23	24.68	-	58.22	91.68	32.84	25.78	2.20

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

	For the year ended 31st March, 2013				For the year ended 31st March, 2012		
	Gratuity	Leave Encashment	Medical	Pension	Gratuity	Leave Encashment	Medical
Present value of funded obligation/ yet to be funded obligation	207.88	-	-	-	172.71	-	-
Fair Value of Plan Assets	189.09	-	-	-	161.43	-	-
	18.79	-	-	-	11.28	-	-
Present value of un-funded obligation	0.29	72.56	23.70	20.86	-	62.47	18.69
Unrecognised past service cost	-	-	-	-	-	-	-
Net Liability/(Asset)	19.08	72.56	23.70	20.86	11.28	62.47	18.69

	For the year ended 31st March, 2011		
	Gratuity	Leave Encashment	Medical
Present value of funded obligation/ yet to be funded obligation	155.35	-	-
Fair Value of Plan Assets	152.63	-	-
	2.72	-	-
Present value of un-funded obligation	-	57.67	17.33
Unrecognised past service cost	-	-	-
Net Liability/(Asset)	2.72	57.67	17.33

## Experience Adjustment

₹ in Crore

	For the year ended 31st March, 2015					For the year ended 31st March, 2014				
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee
Experience (Gain) / Loss adjustment on plan liabilities	14.64	5.88	0.81	(3.12)	(2.41)	60.12	22.74	2.24	6.62	(0.18)
Experience (Gain) / Loss adjustment on plan assets	4.41	0.06	-	-	-	0.96	-	-	-	-
Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption	17.69	7.36	7.20	3.66	-	(13.65)	(5.42)	(3.74)	(0.09)	2.20

	For the year ended 31st March, 2013				For the year ended 31st March, 2012		
	Gratuity	Leave Encashment	Medical	Pension	Gratuity	Leave Encashment	Medical
Experience (Gain) / Loss adjustment on plan liabilities	6.74	4.83	3.51	7.20	14.80	4.42	1.66
Experience (Gain) / Loss adjustment on plan assets	(1.59)	-	-	-	(0.17)	-	-
Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption	7.30	3.00	0.96	(0.22)	(4.92)	(1.92)	(1.04)

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

## NOTE - 29 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, 2015					For the year ended 31st March, 2014				
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee
Current Service Cost	14.10	2.46	-	-	-	12.04	2.40	-	-	0.18
Interest Cost	22.42	8.45	2.95	2.20	0.20	16.04	5.67	1.90	1.58	-
Expected Return on Plan Assets	(19.47)	-	-	-	-	(15.17)	-	-	-	-
Actuarial loss/(gain)	32.26	15.48	8.00	0.54	(2.40)	43.97	18.06	(1.50)	6.53	2.02
Past Service Cost	-	-	-	-	-	-	-	10.05	-	-
Total	49.31	26.39	10.95	2.74	(2.20)	56.88	26.13	10.45	8.11	2.20

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

₹ in Crore

	For the year ended 31st March, 2015					For the year ended 31st March, 2014				
	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee	Gratuity	Leave Encashment	Medical	Pension	Interest guarantee
Opening defined benefit obligation	258.38	91.99	32.84	25.78	2.20	208.17	72.55	23.70	20.86	-
Adjustment on acquisition	-	-	-	-	-	-	-	-	-	0.18
Current Service Cost	14.10	2.46	-	-	-	12.04	2.40	-	-	-
Past Service Cost	-	-	-	-	-	-	-	10.05	-	-
Interest Cost	22.42	8.45	2.95	2.20	0.20	16.04	5.67	1.90	1.58	-
Plan Amendments	-	-	-	-	-	-	-	-	-	-
Actuarial loss/(gain)	32.26	15.48	8.00	0.54	(2.40)	45.96	18.06	(1.50)	6.53	2.02
Benefits paid	(26.55)	(8.12)	(1.56)	(3.84)	-	(24.35)	(7.00)	(1.31)	(3.19)	-
Closing Defined Benefit Obligation	300.61	110.26	42.23	24.68	0.00	257.86	91.68	32.84	25.78	2.20

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

₹ in Crore

	For the year ended 31st March, 2015					For the year ended 31st March, 2014			
	Gratuity	Leave Encashment	Medical	Pension	PF Interest	Gratuity	Leave Encashment	Medical	Pension
Opening fair value of Plan Assets	200.21	-	-	-	-	189.09	-	-	-
Adjustment on acquisition	-	-	-	-	-	-	-	-	-
Expected Return on Plan Assets	19.57	-	-	-	-	15.17	-	-	-
Actual Company Contributions	52.91	-	-	-	-	17.72	-	-	-
Actuarial gain/(loss)	4.41	-	-	-	-	1.99	-	-	-
Benefits paid	(26.55)	-	-	-	-	(24.35)	-	-	-
Closing Fair Value on Plan Assets	250.55	-	-	-	-	199.62	-	-	-
Actual Return on Plan Assets	23.97	-	-	-	-	17.17	-	-	-

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 :

₹ in Crore

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	Increase	Decrease	Increase	Decrease
Effect on defined benefit obligation	42.64	(31.10)*	33.17	(24.32)*

\* in case of hospitalised treatment only

### Principal Actuarial Assumptions Used :

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Discount Rates	7.78% to 9.20%	9.00% to 9.20%
Expected Return on Plan Assets	8.75% to 9.2%	8.75% to 9.2%
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, 2015 is not readily ascertainable and therefore, not disclosed. However, certain subsidiaries expect to contribute ₹ 0.50 crore to the Gratuity fund for the year ending 31st March, 2015.

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

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

	₹ in Crore	
	2014-15	2013-14
<b>NOTE - 30 FINANCE COSTS</b>		
(a) Interest expense	1,246.79	1,089.95
(b) Other Borrowing Costs	49.74	62.00
(c) Applicable net loss on foreign currency transactions and translation	68.22	146.25
	<u>1,364.75</u>	<u>1,298.20</u>
Less : Allocated to capital and deferred payment account	408.27	732.18
	<u>956.48</u>	<u>566.02</u>
<b>NOTE - 31 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation/ amortisation on tangible assets	657.32	532.26
Amortisation on intangible assets	42.42	36.86
	<u>699.74</u>	<u>569.12</u>
Less : Recoupment from revaluation reserve	109.76	96.10
Less : Allocated to capital account	1.04	1.61
	<u>588.94</u>	<u>471.41</u>
<b>NOTE - 32 OTHER EXPENSES</b>		
(a) Power and Fuel	105.70	79.64
(b) Packing Materials Consumed	5.95	5.58
(c) Consumption of stores and spares	318.06	343.55
(d) Repairs		
Building	14.45	17.79
Plant and Machinery	131.10	103.03
Distribution System	97.50	80.45
Others	30.25	27.33
	<u>273.30</u>	<u>228.60</u>
(e) Insurance	41.02	32.66
(f) Rent	240.18	231.93
(g) Rates and taxes	29.31	26.17
(h) Bad debts/Advances made	31.68	26.62
(i) Allowances for doubtful debts, Store/Lease Deposits/advances made/Security Deposit	5.69	-
(j) Amortisation of miscellaneous expenditure	0.72	0.72
(k) Loss on sale/disposal of assets (net)	7.11	8.76
(l) Interest on Consumers' Security Deposit	88.39	78.89
(m) Foreign Exchange Restatement	21.55	43.54
(n) Travelling and conveyance	149.91	135.24
(o) Information, communication and connectivity charges	125.66	128.94
(p) Miscellaneous expenses [Refer Note q]	615.89	453.23
	<u>2,060.12</u>	<u>1,824.07</u>
Add : Share of Joint Venture [Refer Note 1(c)]	-	0.01
	<u>2,060.12</u>	<u>1,824.08</u>
Less : Allocated to capital account	262.38	288.24
	<u>1,797.74</u>	<u>1,535.84</u>

- (q) With respect to parent, miscellaneous expenses in (p) above include research and development expense of ₹ 1.31 crore (previous year - ₹ 1.14 crore) and adjustment of ₹ 16.26 crore (previous year - ₹ 29.91 crore) on account of withdrawal of provision relating to non-executive directors' commission, not being payable.

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

## NOTE - 33 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 ₹ 3.50 Crore (previous year : ₹ 7.42 Crore) and ₹ 10.21 Crore (previous year : ₹ 5.91 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

	2014-15	2013-14
Lease payments for the year	193.99	154.17
Future minimum lease payments –		
Not later than one year	119.42	115.62
Later than one year but not later than five years	299.40	278.89
Later than five years	419.50	359.97

Subsidiaries also leases office facilities and residential facilities under cancellable operating leases that are renewable on a periodic basis at the option of both the lessor and lessee. Rental expenses under cancellable operating leases for the year ended 31st March, 2015 aggregated ₹ 51.82 crore ( previous year: ₹ 51.30 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, 2015 are as follows :

₹ in Crore

As at 31st March, 2015	Minimum lease payments	Finance charges	Present value of minimum lease payments
Amount payable within one year from the balance sheet date	11.72	0.44	11.28
Amount payable in the period between one year and five years	9.12	0.21	8.92
	20.84	0.65	20.20

(iii) Subsidiaries in Process Outsourcing business have given vehicles on finance lease to its employees as per policy. As at 31st March, 2015, the future minimum lease rentals receivables are as follows :

₹ in Crore

As at 31st March, 2015	Minimum lease payments	Finance charges	Present value of minimum lease payments
Amount receivable within one year from the balance sheet date	2.10	0.39	1.71
Amount receivable in the period between one year and five years	2.95	0.33	2.62
	5.05	0.72	4.33

(c) With respect to subsidiaries in Process Outsourcing business, assets taken on finance lease included in the Fixed Assets Note no. 12 and 13 is as follows :

₹ in Crore

As at 31st March, 2015	Tangible Assets				Intangible Assets
	Leasehold Buildings and Structures	Office Equipments	Plant and Equipments	Furniture and Fixtures	Software
Gross Block (at cost)	11.61	6.37	24.72	3.24	6.85
Accumulated Depreciation / Amortisation	6.91	6.37	12.92	1.74	4.91
Net Block	4.70	-	11.80	1.50	1.94

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

**NOTE - 34** The major components of net Deferred Tax Assets / (Liabilities) based on the timing difference as at 31st March, 2015 are as under:

**Deferred Tax Liabilities (net)** ₹ in Crore

	2014-15	2013-14
<b>Liabilities</b>		
Excess of tax depreciation over book depreciation	(918.86)	(159.83)
<b>Assets</b>		
Unabsorbed business losses	823.30	83.03
Other Timing Differences	12.40	48.30
<b>Net Deferred Tax Liability</b>	<b>(83.16)</b>	<b>(28.50)</b>

**Deferred Tax Assets (net)** ₹ in Crore

	2014-15	2013-14
<b>Liabilities</b>		
Excess of tax depreciation over book depreciation	(1,256.35)	(887.92)
<b>Assets</b>		
Unabsorbed business depreciation	80.63	82.08
Unabsorbed business losses	199.42	199.42
Other Timing Differences	45.97	46.38
Net Deferred Tax Liability	(930.33)	(560.04)
Less : Recoverable deferred tax element of Parent	1,240.86	870.57
<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 ( 31.03.2014 : ₹ 310.53 crore). 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 - 35 Earnings per share :**

**Computation of Earnings per share**

Particulars	2014-15	2013-14
A. Profit After Tax (₹ in Crore)	198.51	491.64
B. Weighted Average no. of shares for Earnings per share	12,80,05,252	12,49,35,925
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)	15.51	39.35

**NOTE - 36** 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 store EBITDA in aggregate at store level. Therefore, the subsidiaries are confident about the continuity of its operations and long term viability.

**Note 37** 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, 2015. 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 38** In respect of Parent, in terms of the provisions of the Companies Act, 1956 Members of the Company at the Thirty-fifth Annual General Meeting held on 26 July, 2013 have approved payment of commission to the non-executive directors at a rate not exceeding 3% per annum of the net profits of the Company for each of the five financial years commencing from 2013-14. Accordingly the said Commission has been fully provided for the year 2014-15. A fresh Ordinary Resolution in terms of the provisions of the Companies Act, 2013 has been included in the notice convening the ensuing Thirty-seventh Annual General Meeting of the members of the Company for the said payment of commission to the non-executive directors commencing from the financial year 2014-15 at a rate not exceeding 3% per annum of the net profits of the Company, subject to the total managerial remuneration not exceeding 11% of the net profit of the Company, for the relevant financial year.

**Note 39** 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 40 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') shall issue 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 2002 provides that these options would vest in tranches over a period of 12 to 48 months from the date of grant. Further, the participants shall exercise the options within a period of nine years commencing on or after the expiry of twelve months from the date of the grant of the options.
- (ii) Employee stock option scheme 2003 ('Scheme 2003') - The terms and conditions under this Scheme are similar to those under 'Scheme 2002' except for the following, which were included in line with the amended "SEBI (Employee stock option scheme and employee stock purchase scheme) Guidelines, 1999":
  - The Scheme 2003 would be administered and supervised by the members of the Compensation Committee.

Exercise price to be determined based on a fair valuation carried out at the beginning of every six months for options granted during those respective periods. The Exercise price shall be determined by the Committee on the date the Option is granted in accordance with, and subject to, the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended from time to time);

The Scheme provides that these options would vest in tranches over a period of 24 to 36 months from the date of grant. Further, the exercise period of Scheme 2003 has been approved as 10 years from the date of the grant of Options.

Certain portions of Scheme 2003 include "Executive Options". 50% of the vesting for "Executive Options" is time linked and the balance 50% is performance linked. The vesting period for time linked "Executive Options" has been set as 24 to 60 month from the date of grant. 50% of "Executive Options" which are performance linked shall vest in proportion to the achievement of 5 year performance targets to be decided by the Committee, with the first vesting being at the end of the second year from the date of grant of "Executive Options". The number of "Executive Options" vesting at the end of each year would be in proportion to the percentage achievement against the targets and if the targets were not met, the vesting period would be extended beyond 5 years. If performance was better than targets, the Options would vest in less than 5 years.

Options under these plans have been granted to employees at an exercise price ranging from ₹ Nil to ₹ 90 per option.

Outstanding options as at 1st April, 2014	4,76,05,636
Granted during the year	59,00,000
Exercised during the year	(64,84,084)
Forfeited and lapsed during the year	(47,13,500)
Outstanding options as at 31st March, 2015	4,23,08,052

Outstanding options as at 31st March, 2015 out of 'Scheme 2002' is Nil and 'Scheme 2003' is 4,23,08,052. The weighted average remaining contractual term for 'Scheme 2003' is 37.48 to 91.96 months.

These subsidiaries apply the intrinsic value based method of accounting for determining compensation cost for its stock based compensation plan.

## NOTE - 41 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 currently not been notified under the Companies (Accounting Standard) Rules, 2006.

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 the 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 have discounted interest free 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 year ended 31 March, 2015 and Reserves and Surplus as at the Balance Sheet date with respect to certain subsidiaries is higher by ₹ 8.62 crore (31.03.2014: higher by ₹ 16.90 crore) and ₹ 0.68 crore (31.03.2014: ₹ 0.3 crore) respectively. The increase in Reserves 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 - 42 Derivatives

As at 31st March, 2015, certain subsidiaries have derivative financial instruments to sell USD 4.20 crore (31.03.2014 : USD 3.06 crore) having fair value gain of ₹ 5.07 crore (31.03.2014 : gain of ₹ 4.58 crore), GBP 6.3 crore (31.03.2014 : GBP 5.14 crore) having fair value gain of ₹ 67.72 crore (31.03.2014 : loss of ₹ 12.55 crore) relating to highly probable forecasted transactions.

## Note - 43 C.I.F. value of imports :

(₹ In Crore)

	2014-15	2013-14
Fuel	181.55	185.18
Capital Goods	18.84	915.46
Stores	3.74	0.16
<b>Total</b>	<b>204.13</b>	<b>1,100.80</b>

## Note - 44 Expenditure in foreign currency :

(₹ In Crore)

	2014-15	2013-14
Travelling	1.04	0.99
Finance cost	63.16	61.48
Advance/Milestone for Equipment Supply	64.69	46.19
Fee for technical services	22.39	5.23
Consultancy & Others	2.58	4.42
<b>Total</b>	<b>153.86</b>	<b>118.31</b>

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

## NOTE - 45 Dividend remitted in foreign currency :

On account of dividends to non-resident shareholders relating to previous year in respect of the Parent.

	2014-15			2013-14		
	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	354	6,80,374	0.54	366	7,41,029	0.52

## NOTE - 46 Earnings in foreign exchange :

(₹ In Crore)

	2014-15	2013-14
Income from Consultancy	0.05	3.00
Total	0.05	3.00

**NOTE - 47** 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.

**NOTE - 48** Pursuant to allocation of the Sarisatolli coal block in the State of West Bengal to the Company in 1993 by the Ministry of Coal, Government of India, a portion of the Parent's coal requirement has been met since October 2002 from the production of the said mine. By the judgement dated 25th August 2014 read with its Order dated 24th September 2014 of the Hon'ble Supreme Court of India in Coal Block Allocation, the process of allocation of coal blocks adopted by the Government of India in vogue since 1993, was held to be wanting in material respects which resulted in the Hon'ble Apex Court cancelling most of the allocations, including the aforesaid Sarisatolli coal block and even those to Central as well as State Public Sector Undertakings, made under that process. Moreover, payment of an additional levy in respect of coal extracted from the said mine(s) was directed under the aforesaid judgement, which in the above referred case worked out to ₹ 1044.87 crore upto the effective date of cancellation i.e. 31st March, 2015.

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, inter alia, payment of the aforesaid sum by the Company was necessitated and a demand has so far been raised on the Parent by the Competent Authority for payment of a sum of ₹ 995.52 crore, which has been fully paid and the balance sum would also be duly settled in terms of the appropriate order / legislations. Considering the above payment being in the form of levy, and given the facts and circumstances of the incidence thereof, a portion of the said additional levy amounting to ₹ 896.73 crore relating to the period since inception upto 31 March, 2014 has been shown in the financial statements as an Exceptional Item and an amount of ₹ 101.03 crore for the financial year 2014-15 included in the fuel cost, the total amount of ₹ 997.76 crore being directly relating to the underlying fuel sourced for the Parent's (a statutory distribution licensee supplying electricity to the end consumers in Kolkata and surrounding areas) embedded generation, and hence considered as recoverable by way of tariff in terms of the applicable laws / regulations, for which a reference has since been made to West Bengal Electricity Regulatory Commission (WBERC). The balance sum of ₹ 47.11 crore has not been considered as recoverable and charged off to Profit and Loss Account.

Subsequently, following the auction conducted by the Ministry of Coal, Government of India, under the provisions of the applicable laws, the Parent has been allotted the said Sarisatolli coal block effective 1st April, 2015 and mining operations thereat commenced from 10th April, 2015 which has since been duly informed to WBERC.

**NOTE - 49** 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 - 50** Pursuant to selection of CESC Limited through a process of competitive bidding to take up distribution franchising in Ranchi Circle of Jharkhand State Electricity Board (JSEB) when one of the subsidiaries was formed as a 100% subsidiary of the Parent to take up such franchising operation, a Distribution Franchisee Agreement (DFA) was executed by the said subsidiary with JSEB. The DFA

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

has purportedly terminated by Jharkhand Bijli Vitran Nigam Limited, the distribution company formed out of the unbundling of JSEB and the matter has been challenged by the subsidiary in the High Court at Ranchi and at present remains sub-judice.

**NOTE - 51** 76,21,118 new equity shares of the Parent of ₹ 10 each were allotted on 5th November, 2014 for cash at a premium of ₹ 634 per share to Qualified Institutional Buyers in compliance with applicable legal requirements and pending its utilisation in terms of the Issue, the proceeds thereof have been kept invested in mutual funds and shown under Current Investments.

**NOTE - 52** As per plans, the 60 year old 100 MW New Cossipore generating station of the Parent has permanently ceased to generate power effective on 30th November, 2014. Net block of fixed assets of New Cossipore plant (net of adjustment from revaluation reserve) amount to ₹ 18.51 crore, in respect of which no adjustment has so far been given effect to. However, the realizable value of these assets are estimated to be significantly higher than the aforesaid book value.

**NOTE - 53** In respect of the Parent, in terms of the provisions of Companies Act, 2013, the required Corporate Social Responsibility (CSR) spending works out to ₹ 15.17 crore, which has been met by way of contribution to a trust set up for the said purpose and direct expenditure of ₹ 12.11 crore and ₹ 3.06 crore respectively.

In respect of certain subsidiaries as per Section 135 of Companies Act, 2013, a CSR Trust has been formed. The areas identified by the CSR Trust includes activities for promoting Healthcare, Art/Culture, Sports & Education for the priority areas to be pursued in phases and in a manner aligned with the CSR Rules & Regulations. Funds have been contributed to the Trust and will be utilised on these activities which are specified in Schedule VII of the Companies Act, 2013.

**NOTE - 54** 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, 2015

Sl. No.	Name of the Subsidiaries	Country of Incorporation	31-Mar-15		2014-15	
			Net Assets (₹ In Crore)	As % of Consolidated Net Assets	Profit (₹ In Crore)	As % of Consolidated Profit/(Loss)
1	<b>Parent</b> CESC Limited	India	3,007.35	49.88%	883.90	445%
	<b>Subsidiaries - Indian</b>					
2	Spencer's Retails Limited (SRL)	India	14.44	0.24%	(139.66)	(70%)
3	Music World Retail Limited (100% subsidiary of SRL)	India	21.29	0.35%	(0.00)	(0%)
4	Au Bon Pain Café India Limited (90% subsidiary of SRL)	India	(1.10)	(0.02%)	(21.93)	(11%)
5	CESC Properties Limited (CPL)	India	221.86	3.68%	17.91	9%
6	Metromark Green Commodities Private Limited (100% subsidiary of CPL)	India	1.93	0.03%	(0.02)	(0%)
7	CESC Infrastructure Limited (CIL)	India	338.83	5.62%	(1.68)	(1%)
8	Haldia Energy Limited (HEL)	India	932.01	15.46%	(202.44)	(102%)
9	Dhariwal Infrastructure Private Limited (DIL)	India	523.13	8.68%	(457.51)	(230%)
10	Surya Vidyut Limited (SVL)	India	94.12	1.56%	3.24	2%
11	Nalanda Power Company Limited	India	0.50	0.01%	(0.01)	(0%)
12	CESC Projects Limited	India	0.92	0.02%	(5.45)	(3%)
13	Pachi Hydropower Projects Limited	India	2.66	0.04%	(0.27)	(0%)
14	Papu Hydropower Projects Limited	India	1.39	0.02%	(0.38)	(0%)
15	Ranchi Power Distribution Company Private Limited	India	6.93	0.11%	(9.04)	(5%)
16	Sheesham Commercial Pvt. Ltd. (50% DIL, 50% CESC)*	India	0.23	0.00%	(0.25)	(0%)
17	Wigeon Commotrade Pvt. Ltd. (33% DIL, 33% HEL, 34% CESC)***	India	0.08	0.00%	(0.43)	(0%)
18	Water Hyacinth Commosale Private Limited (50% HEL, 50% CESC)*	India	0.02	0.00%	(0.07)	(0%)
19	Crescent Power Limited****	India	168.02	2.79%	0.22	0%
20	Spn Liq Private Limited	India	(464.12)	(7.70%)	(0.02)	(0%)
21	Firstsource Solutions Limited (FSL)	India	2,357.52	39.10%	162.33	82%

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

**NOTE - 54 Statement pursuant to requirement of Schedule III to the Companies Act, 2013 relating to Company's Interest in subsidiary companies for the year ended 31st March, 2015 (Contd.)**

Sl. No.	Name of the Subsidiaries	Country of Incorporation	31-Mar-15		2014-15	
			Net Assets (₹ In Crore)	As % of Consolidated Net Assets	Profit (₹ In Crore)	As % of Consolidated Profit/(Loss)
	<b>Subsidiaries - Foreign</b>					
23	Firstsource Group USA, Inc. (FG USA) (100% subsidiary of FSL)	USA	(1,114.23)	(18.48%)	(54.33)	(27%)
24	Firstsource BPO Ireland Ltd. (100% subsidiary of FSL)	Ireland	23.17	0.38%	9.23	5%
25	Firstsource Solutions UK Ltd. (100% subsidiary of FSL)	UK	379.67	6.30%	52.15	26%
26	Firstsource-Dialog Solutions Pvt. Ltd. (100% subsidiary of FSL)	Sri Lanka	6.35	0.11%	0.61	0%
27	MedAssist Holding, Inc. (100% subsidiary of FG USA)	USA	71.55	1.19%	-	0%
28	Firstsource Business Process Services, LLC (100% subsidiary of FG USA)	USA	138.53	2.30%	(0.04)	(0%)
29	Firstsource Solutions USA, LLC (100% subsidiary of MH Inc)	USA	-	0.00%	26.17	13%
30	Firstsource Advantage, LLC (100% subsidiary of FBPS)	USA	126.87	2.10%	12.39	6%
31	Firstsource Transaction Services, LLC (100% subsidiary of FS USA)	USA	97.46	1.62%	24.42	12%
32	Firstsource Solutions S.A. (Argentina) (99.98% subsidiary of FSL UK) **	Argentina	-	0.00%	-	0%
33	One Advantage LLC (100% subsidiary of FBPS)	USA	0.15	0.00%	-	0%
34	MedAssist Holding LLC (100% subsidiary of FG USA)\$	USA	-	0.00%	-	0%
35	Bantal Singapore Pte Limited	Singapore	68.98	1.15%	(0.14)	(0%)
	<b>Minority Interest in all subsidiaries</b>		(1,000.41)	(16.59%)	(100.38)	(51%)
	<b>Joint Venture</b>					
1	Mahuagarhi Coal Company Private Limited	India	(0.12)	(0.00%)	-	0%
			<b>6,029.03</b>	<b>100%</b>	<b>198.51</b>	<b>100%</b>

\* Included w.e.f. 29th January, 2015

\*\*\* Included w.e.f. 12th February, 2015

\*\* Included w.e.f. 31st December, 2013

\$ Incorporated during the year

\*\*\*\* included w.e.f 30th March, 2015

**NOTE - 55 Consolidated Segment Reporting**

**a. Primary Segment Information - Business Segments**

(₹ In Crore)

Particulars	Power		Retail		Property		Process Outsourcing		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Sales revenue from external customers	6,336.42	5,577.07	1,622.78	1,416.24	74.63	12.27	3,032.80	3,105.27	11,066.63	10,110.85
Other Segment Revenue	72.51	102.01	65.26	57.36	2.14	3.15	9.10	10.83	149.01	173.35
Total Segment Revenue	6,408.93	5,679.08	1,688.04	1,473.60	76.77	15.42	3,041.90	3,116.10	11,215.64	10,284.20
Segment Result Before Interest, Tax and exceptional items	1,210.83	1,147.74	(113.68)	(111.07)	43.90	(0.01)	313.53	287.84	1,454.58	1,324.50
Unallocated Finance cost	-	-	-	-	-	-	-	-	956.48	(566.02)
Exceptional Items	-	-	-	-	-	-	-	-	-	-
Profit before Taxation and Minority Interest	-	-	-	-	-	-	-	-	498.10	758.48
Provision for taxation	-	-	-	-	-	-	-	-	199.21	(185.59)
Profit after Taxation before Minority Interest	-	-	-	-	-	-	-	-	298.89	572.89
Segment Assets	22,865.99	19,710.36	499.65	470.29	474.27	442.84	1,575.88	1,538.68	25,415.79	22,162.17
Unallocated Assets	-	-	-	-	-	-	-	-	2,522.33	2,814.17
Total Assets	-	-	-	-	-	-	-	-	27,938.12	24,976.34
Segment Liabilities	5,884.97	5,718.05	268.24	227.82	56.25	39.84	264.34	364.37	6,473.80	6,350.08
Unallocated Liability	-	-	-	-	-	-	-	-	14,434.88	12,083.32
Total Liabilities	-	-	-	-	-	-	-	-	20,908.68	18,433.40
Capital Expenditure	2,106.20	3,933.85	47.74	57.93	64.79	109.08	62.26	160.81	2,280.99	4,261.67
Depreciation (including amortisation of Intangible assets)	464.08	357.10	43.09	35.24	9.59	3.37	72.18	75.70	588.94	471.41
Non Cash Expenditure other than depreciation and amortisation	142.56	89.90	1.27	0.86	-	-	23.55	-	167.38	90.76

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

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	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Within India	8,309.45	7,262.25	22,639.95	19,139.28	2,246.24	4,245.43
UK	1,077.84	1,113.51	113.64	147.60	2.94	2.05
USA and Canada	1,479.54	1,458.37	2,584.96	2,720.80	31.66	13.75
Rest of the World	199.80	276.72	77.24	154.49	0.14	0.44
Unallocated	-	-	2,522.33	2,814.17	-	-
<b>Total</b>	<b>11,066.63</b>	<b>10,110.85</b>	<b>27,938.12</b>	<b>24,976.34</b>	<b>2,280.98</b>	<b>4,261.67</b>

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 - 56 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	
	2014-15	2013-14
Remuneration	1.58	1.61
Closing Balance :		
Debit	-	-
Credit	0.48	0.48

During the year, (i) a sum of ₹ 24.85 crore towards dividend for the year 2013-14 was paid to Rainbow Investments Limited, an enterprise related to the Parent in terms of Para 3(e) of Accounting Standard AS -18 issued by ICAI and (ii) Commission and sitting fees paid to the Chairman amounting to ₹ 8.49 crore.

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



**NOTE - 57** The unhedged foreign exchange exposure of the Group in respect of foreign currency loan, interest, trade payable etc. as on 31st March, 2015 amounts to ₹ 281.03 crore ( 31.03.2014 : ₹ 25.07 crore).

**NOTE - 58** The Group 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, 21st May, 2015

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

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for taxation	Profit after Taxation	Proposed Dividend	% of shareholding
1	Spencer's Retail Limited	2014-15	INR	242.80	(1,361.57)	860.17	860.17	72.01	1,571.92	(151.62)	-	(151.62)	-	100
2	CESC Properties Limited	2014-15	INR	249.51	(19.67)	501.06	501.06	1.15	81.75	4.60	0.17	4.44	-	100
3	CESC Infrastructure Limited	2014-15	INR	2443.05	(6.02)	2437.80	2437.80	2400.06	0.03	(1.67)	-	(1.67)	-	100
4	Surya Vidut Limited	2014-15	INR	89.24	4.34	336.57	336.57	-	31.99	7.75	4.51	3.24	-	100
5	Nalanda Power Company Limited*	2014-15	INR	1.35	(0.85)	0.50	0.50	-	-	-	(0.01)	-	-	100
6	CESC Projects Limited*	2014-15	INR	12.25	(11.26)	2.04	2.04	-	-	(5.45)	-	(5.45)	-	100
7	Bantal Singapore Pte. Limited*	2014-15	INR	56.68	12.30	69.10	69.10	67.73	0.00	(0.14)	-	(0.14)	-	100
8	Ranchi Power Distribution Company Limited	2014-15	INR	19.00	(16.97)	7.75	7.75	-	0.14	(9.04)	-	(9.04)	-	100
9	Pachi Hydropower Projects Limited *	2014-15	INR	4.42	(2.74)	2.66	2.66	-	-	(0.27)	-	(0.27)	-	100
10	Papu Hydropower Projects Limited *	2014-15	INR	2.82	(2.00)	1.40	1.40	-	-	(0.38)	-	(0.38)	-	100
11	Spen Liq Private Limited	2014-15	INR	471.02	1.12	472.18	472.18	471.70	-	(0.02)	-	(0.02)	-	100
12	Au Bon Pain Café India Limited	2014-15	INR	80.00	(59.73)	25.53	25.53	-	16.26	(22.49)	-	(22.49)	-	90
13	Music World Retail Limited	2014-15	INR	5.00	(26.49)	0.03	0.03	-	0.12	(0.00)	-	-	-	100
14	Metromark Green Commodities Pvt. Ltd*	2014-15	INR	0.02	(0.59)	2.04	2.04	-	-	(0.02)	-	(0.02)	-	100
15	Halidia Energy Limited	2014-15	INR	1033.44	(91.35)	4883.51	4883.51	0.01	172.74	(30.80)	-	(30.80)	-	100
16	Dharawal Infrastructure Limited	2014-15	INR	1055.77	(542.14)	3987.03	3987.03	0.01	131.53	(457.51)	-	(457.51)	-	100
17	Sheesham Commercial Private Limited*	2014-15	INR	0.01	(0.25)	0.23	0.23	-	-	(0.25)	-	(0.25)	-	100
18	Water Hyacinth Commodsale Private Limited*	2014-15	INR	0.01	(0.07)	0.02	0.02	-	-	(0.07)	-	(0.07)	-	100
19	Wigson Commodrade Private Limited*	2014-15	INR	0.01	(0.43)	0.08	0.08	-	-	(0.43)	-	-	-	100
20	Crescent Power Limited	2014-15	INR	60.00	105.19	297.86	297.86	7.80	143.96	49.46	9.02	40.44	-	51.17
21	Firstsource Solutions Limited	2014-15	INR	666.30	962.00	1962.94	1962.94	1246.30	932.80	159.90	3.84	163.80	-	56.13
22	Anunta Tech Infrastructure Services Limited	2014-15	INR	1.05	1.86	2.98	2.98	2.70	0.07	(0.15)	-	(0.15)	-	56.13
23	Firstsource Group USA, Inc. \$	2014-15	INR	1.37	1229.37	2429.33	2429.33	2,374.54	179.94	(58.33)	1.26	(57.09)	-	56.13
24	Firstsource Business Process Services, LLC \$	2014-15	INR	-	138.52	248.58	248.58	239.35	-	(0.04)	-	(0.04)	-	56.13
25	Firstsource Advantage LLC \$	2014-15	INR	0.06	126.81	144.26	144.26	-	307.23	12.82	-	12.82	-	56.13
26	Firstsource Solutions Limited, UK £	2014-15	INR	26.21	163.32	605.41	605.41	-	890.10	61.39	12.45	48.94	-	56.13
27	MedAssist Holding, LLC. \$	2014-15	INR	-	404.43	613.88	613.88	-	-	-	-	-	-	56.13
28	Firstsource Solutions USA LLC \$	2014-15	INR	-	368.89	435.11	435.11	-	580.10	27.89	-	27.89	-	56.13
29	Firstsource Transaction Services, LLC \$	2014-15	INR	-	97.46	118.62	118.62	-	443.71	25.45	-	25.45	-	56.13
30	Firstsource BPO Ireland Ltd EUR	2014-15	INR	-	23.17	27.11	27.11	-	120.71	8.86	1.11	7.75	-	56.13
31	Firstsource-Dialog Solutions (Private) Limited, LKR	2014-15	INR	5.03	1.32	8.16	8.16	-	26.90	0.67	0.05	0.62	-	41.54
32	Firstsource Solution S.A. ARS	2014-15	INR	-	-	-	-	-	-	-	-	-	-	56.12
33	One Advantage LLC \$	2014-15	INR	-	0.16	3.80	3.80	-	12.07	-	-	-	-	56.13

### Notes :

\$ Converted to Indian Rupees at the Exchange Rate, 1 USD = INR 62.5

£ Converted to Indian Rupees at the Exchange Rate, 1 GBP = INR 92.47

€ Converted to Indian Rupees at the Exchange Rate, 1 EUR = INR 67.19

LKR Converted to Indian Rupees at the Exchange Rate, 1 LKR = INR 0.4712

1. Subsidiaries yet to commence operation\*.
2. None of the subsidiaries have been liquidated or sold during the FY-2014-15.

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, 21 May 2015

## 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 Joint Venture	Mahuagarhi Coal Company Private Limited
1. Latest audited Balance Sheet Date	31 March 2015
2. Shares of Joint Venture held by the company on the year end	
(a) No.	24,29,800
(b) Amount of Investment in Joint Venture (₹ Crore)	2.43*
(c) Extent of Holding %	50%
3. Description of how there is significant influence	By way of Shareholding
4. Reason why the Joint Venture is not consolidated	Has been consolidated
5. Networth attributable to Shareholding as per latest audited Balance Sheet (₹ Crore)	(0.92)
6. Profit / Loss for the year	
(i) Considered in Consolidation (₹ Crore)	(3.18)
(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, 21 May 2015

Subhasis Mitra  
Company Secretary

Rajarshi Banerjee  
Executive Director & CFO

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## 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

#### New Cossipore

28 Jheel Road, Kolkata 700 002  
 Phone : 2556 6695, 2556 6696

#### Southern

28 Garden Reach Road  
 Kolkata 700 024  
 Phone : 2469 7558, 2469 6886, 2469 3608

#### Titagarh

B. T. Road, P.O. Khardah, Titagarh  
 24 Parganas (N), Pin : 700 119  
 Phone : 2501 1042, 2501 0180, 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)  
 2204 0300, 6634 0300

#### Howrah

433/1 G. T. Road (N), Howrah 711 101  
 Phone : 2666 1667, 2666 6014  
 2666 9199, 2676 5700

#### North

226 A & B APC Road, Kolkata 700 004  
 Phone : 2555 9815 (4 lines)

#### North Suburban

32 B. T. Road  
 (Opp. Sagar Dutta Hospital)  
 Kolkata 700 058  
 Phone : 2553 7583, 2583 9391

#### South

6 Mandeville Gardens  
 Kolkata 700 019  
 Phone : 2440 6470, 2485 6100  
 2440 6116 (5 Lines)

#### South-West

P-18 Taratolla Road, Kolkata 700 088  
 Phone : 2420 5000, 2401 4541 ( 5 lines)

In case of supply breakdown,  
 please contact

**1912**

**44031912**

**1860 500 1912**

### CUSTOMER RELATIONS

CESC House  
 Chowringhee Square  
 Kolkata 700 001  
 Phone : 2237 3612  
 Fax : 2236 5669

Back Cover : View of Haldia Energy Plant