

SEC:12279

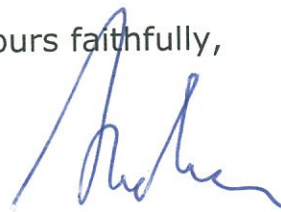
18 May, 2017

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

Dear Sirs,

Further to our letter dated 8 May, 2017, we enclose for your record a copy of the Audited Financial Results (Standalone and consolidated) of the Company for the quarter / year ended 31 March, 2017, which have been approved by the Board of Directors of the Company at its meeting held today. We also submit herewith copies of the Auditors' Reports along with relevant annexures.

Yours faithfully,



Company Secretary

Encl.



CIN :L31901WB1978PLC031411
Registered Office: CESC House, Chowringhee Square, Kolkata 700 001
Email ID: cesclimited@rp-sg.in; Website: www.cesc.co.in
Tel: (033) 6499 0049; Fax: (033) 22124262

Statement of Financial Results for the Quarter and Year Ended 31 March 2017

(Rs.in crore)

Particulars	STANDALONE				CONSOLIDATED	
	Three months ended 31.03.2017 (Unaudited)	Three months ended 31.12.2016 (Unaudited)	Three months ended 31.03.2016 (Unaudited)	Year ended 31.03.2017 (Audited)	Year ended 31.03.2016 (Audited)	Year ended 31.03.2016 (Audited)
	(1)	(2)	(3)	(4)	(5)	(6)
Income from operations						
Revenue from operations	1572	1620	1473	7220	6796	13903
Other income	59	30	31	147	128	299
Total Income	1631	1650	1504	7367	6924	14202
Expenses						
Cost of material consumed for Retail Business	-	-	-	-	-	34
Purchase of stock in trade for Retail Business	-	-	-	-	-	1637
Changes in inventories of finished goods, stock in trade and work in progress for Retail Business	-	-	-	-	-	(46)
Cost of electrical energy purchased for Power business	575	660	417	2614	2039	948
Cost of fuel for Power business	294	255	152	1359	1347	2527
Employee benefit expenses	194	193	162	780	708	3414
Finance costs	109	108	109	448	456	1497
Depreciation and amortisation expenses	116	98	100	409	370	816
Other expenses	305	197	268	846	770	2278
Total expenses	1593	1511	1208	6456	5690	13105
Profit before share in profit of associate	38	139	296	911	1234	1097
Share of profit in associate	-	-	-	-	-	48
Profit before exceptional items	38	139	296	911	1234	1145
Exceptional items (Net)	-	-	-	-	-	4
Profit before regulatory income / (expense) and tax	38	139	296	911	1234	1145
Regulatory (Income) / expenses (net)	(341)	(55)	(49)	(190)	188	(46)
Profit before tax	379	194	345	1101	1046	1191
Tax Expenses :-						
Current Tax	84	42	52	238	201	377
MAT Credit	-	-	-	-	-	18
Current Tax (net)	84	42	52	238	201	377
Deferred Tax	10	12	15	49	72	53
Regulatory (income)/Expense - Deferred Tax	(10)	(12)	(15)	(49)	(72)	(53)
Total tax expense	84	42	52	238	201	381
Profit after Tax	295	152	293	863	845	810
Other comprehensive income (Net of income tax)						
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit plan	(14)	(8)	(16)	(39)	(33)	(40)
Loss on fair Valuation of investment	-	-	-	-	-	3
Items that will be reclassified to profit or loss						
Net changes in fair value of cashflow hedges	-	-	-	-	-	20
Exchange difference on translation of foreign operations	-	-	-	-	-	(69)
Total Comprehensive Income	281	144	277	824	812	724
Profit attributable to						
Owners of the equity	-	-	-	-	-	691
Non-controlling interest	-	-	-	-	-	119
	-	-	-	-	-	810
Other comprehensive income attributable to						
Owners of the equity	-	-	-	-	-	(65)
Non-controlling interest	-	-	-	-	-	(21)
	-	-	-	-	-	(86)
Total comprehensive income attributable to						
Owners of the equity	-	-	-	-	-	626
Non-controlling interest	-	-	-	-	-	98
	-	-	-	-	-	724
Paid-up Equity Share Capital (Shares of Rs. 10 each)	133	133	133	133	133	133
Earnings Per Share (EPS) (Rs.) Basic & Diluted (*not annualised)-see note 6	21.15*	10.85*	20.88*	62.14	61.27	47.22

Anind Kumar Ban

Notes to financial results :

1 Statement of Assets and Liabilities

(Rs.in crore)

Particulars	STANDALONE		CONSOLIDATED	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
	Audited	Audited	Audited	Audited
	(1)	(2)	(3)	(4)
ASSETS				
Non-current Assets				
Property, Plant and Equipment	14596	14633	24316	24039
Capital work-in-progress	188	196	390	498
Investment Property	56	56	56	56
Goodwill	-	-	2011	2250
Other Intangible assets	217	226	244	211
Intangible assets under development	-	-	1	7
Investments accounted under equity method	-	-	405	343
Financial Assets				
(i) Investments	4086	4050	17	11
(ii) Loans	3	2	33	30
(iii) Others	2437	1398	268	231
Deferred Tax Assets (Net)	-	-	408	371
Other non-current assets	166	163	431	423
Total	21749	20724	28580	28470
Current assets				
Inventories	379	317	845	697
Financial Assets				
(i) Investments	506	502	687	593
(ii) Trade receivables	968	966	1560	1413
(iii) Cash and cash equivalents	683	593	1255	853
(iv) Bank balances other than (iii) above	242	244	352	344
(v) Loans	-	-	2	6
(vi) Others	146	218	503	447
Current Tax Assets (Net)	-	10	17	25
Other current Assets	154	128	451	268
Total	3078	2978	5672	4646
Regulatory deferral account balances	3620	3639	3653	3677
TOTAL ASSETS	28447	27341	37905	36793
EQUITY AND LIABILITIES				
Equity				
(i) Equity Share capital	133	133	133	133
(ii) Other Equity	13191	12868	10490	10471
Total equity attributable to equity holders of the Company	13324	13001	10623	10604
Non-controlling interest	-	-	1210	1092
Total	13324	13001	11833	11696
LIABILITIES				
Non-current Liabilities				
Financial Liabilities				
(i) Borrowings	3788	2966	11622	10451
(ii) Trade Payables	30	33	30	32
(iii) Other financial liabilities	148	167	179	175
Provisions	227	184	273	223
Deferred tax liabilities (net)	3555	3506	3887	3831
Consumers' Security Deposits	1678	1524	1678	1554
Other non-current liabilities	115	87	116	85
Total	9541	8467	17785	16351
Current Liabilities				
Financial Liabilities				
(i) Borrowings	1435	1459	2372	2340
(ii) Trade Payables	377	364	789	595
(iii) Other financial liabilities	1167	1361	2120	2924
Other current liabilities	330	180	536	326
Provisions	70	58	95	81
Current Tax Liabilities (net)	10	-	15	2
Total	3389	3422	5927	6268
Regulatory deferral account balances	2193	2451	2360	2478
TOTAL EQUITY AND LIABILITIES	28447	27341	37905	36793

2 In the above standalone financial results of the Company, revenue from operations have been arrived at based on the relevant orders of the West Bengal Electricity Regulatory Commission, and the effect of adjustments relating to advance against depreciation, cost of fuel and purchase of power and those having bearing on revenue account, as appropriate, based on the Company's understanding of the applicable available regulatory provisions and available orders of the competent authorities have been included in Regulatory Income / (expense), which, however, necessitate further adjustments upon receipt of subsequent orders/directions in this regard, including finalisation of the underlying issues relating to mining of coal from Sarisatoli coal mine commenced from April, 2015.

3 This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning April 1, 2016, the Company has for the first time adopted Ind AS with a transition date of April 1, 2015. The comparative figures for the quarter and year ended 31st March, 2016 have been restated by the Management as per Ind AS.

Anindita Ban

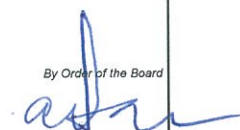
4	The reconciliation of standalone net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below :		
		Rs. in crore	
	Description	Three months ended 31.03.2016	Year ended 31.03.2016
	Net Profit after tax as per previous GAAP	248	707
(a)	Contribution from customers for distribution network	42	121
(b)	Actuarial loss on employee defined benefit plans recognised in other comprehensive income (net of income tax)	16	33
(c)	Others (including net impact of fair value measurement of financial instruments)	(13)	(16)
	Net Profit after tax as per Ind AS	293	845
	Add : Other comprehensive income (net of income tax)	(16)	(33)
	Total Comprehensive Income as per Ind AS	277	812
5	The reconciliation of consolidated net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS is given below :		
		Rs. in crore	
	Description	Year ended 31.03.2016	
	Net Profit after tax as per previous GAAP	497	
	Less: Minority interest as reported under previous GAAP	130	
	Profit after tax as reported under previous GAAP	367	
	Add/(Less) adjustments under Ind AS		
(a)	Contribution from customers for distribution network	121	
(b)	Share of profit in associate (since recognised)	64	
(c)	Remeasurement of the net defined benefit liability/asset	29	
(d)	Others (including net impact of fair value measurement of financial instruments)	17	
	Profit after tax as per Ind AS - Owners share	598	
	Non controlling interest as per Ind AS	131	
	Profit after tax as per Ind AS	729	
	Other comprehensive income	21	
	Total Comprehensive Income as per Ind AS	750	
6	(i) Other expenses contained in columns (1) to (7) include interest on security deposit of Rs. 27 crore, Rs. 28 crore, Rs. 25 crore, Rs. 110 crore, Rs. 99 crore, Rs. 110 crore and Rs. 99 crore for the respective periods. (ii) Cost of Fuel contained in columns (1) to (7) above include loss/(gain) of (Rs.0.01 crore), Rs. Nil, Rs.0.33 crore, (Rs.0.59 crore) ,(Rs.0.11) crore, Rs. (2.22 crore) and (Rs.1.26 crore) due to exchange fluctuations for the respective periods. (iii) EPS without Regulatory income/(expenses) shown above contained in columns (1) to (7) works out to Rs.0.97 ,Rs. 7.60, Rs.17.99, Rs. 50.89, Rs. 72.41, Rs. 51.89 & Rs. 68.68.		
7	Additional levy amounting to Rs 998 crore paid to the account of the Central Government, in terms of the provisions of the Coal Mines (Special Provisions) Ordinance, 2014, read with the Coal Mines (Special Provisions) Rules, 2014 framed thereunder, Coal Mines (Special Provisions) Second Ordinance, 2014 and Coal Mines (Special Provisions) Act, 2015, relating to the output of Sarishatoli Coal block for meeting part of the Company's coal requirement since inception to 31st March, 2015, has been considered as recoverable (accounted for in the year ended 31st March 2015 partly as receivable of Rs. 897 crore and balance as fuel cost) by way of tariff in terms of the applicable laws / regulations, for which appropriate reference was made to West Bengal Electricity Regulatory Commission, and being pursued by the management. Based on such reference/persuasion, the management expects a favourable outcome in the matter. Consequent to accounting under Ind-AS framework effective 01.04.2015, the aforesaid receivable, discounted to its present value of Rs 116 crore, based on an expected period of recovery as at the date of transition, has been adjusted with retained earnings, in accordance with the transitional provisions of the said framework.		
8	As on the date of transition the Company has adopted fair valuation of its Property, Plant and Equipment at the then current replacement cost and the total net fair valuation certified by an approved valuer amounting to Rs 5407 cr. has been accounted for as on 1.4.2015. Part A of Schedule II to the Companies Act, 2013 (the 'Act'), inter alia, provides that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Part B of the said Schedule deals with the useful life or residual value of an asset as notified for accounting purpose by a Regulatory Authority constituted under an act of Parliament or by the Central Government for calculating depreciation to be provided for such asset irrespective of the requirement of Schedule II. In terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a pro-rata basis at the rates specified therein, the basis of which be considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the Company's tariff for the year, which is also required to be used for accounting purpose as specified in the said Regulations. Based on legal opinions and independent accounting opinions obtained, the Company continues with the consistently followed practice of recouping from the Revaluation Reserve the additional charge of depreciation relating to the increase in value arising from revaluation, which for the year ended 31st March 2017 amounts to Rs. 342 crore (previous period Rs. 314 crore)		
9	Reconciliation of total equity (standalone) as reported in previous GAAP to Ind AS is as under:		
	Description	Rs. in crore	
		Year ended 31.03.2016	
	Total equity (Shareholder's funds) as per previous GAAP	8635	
	Add / Less : adjustments under Ind AS:		
(a)	Fair value exercise on transition - plant, property & equipment, investments etc. (net of related adjustments) and adjustments for ECL relating to receivables	4297	
(b)	Unamortised borrowing -front end fees	23	
(c)	Straight lining of Lease rentals	57	
(d)	Others	(11)	
	Total Adjustment	4366	
	Total equity (Shareholder's funds) as per Ind AS	13001	
10	Reconciliation of total equity (consolidated) as reported in previous GAAP to Ind AS is as under:		
	Description	Rs. in crore	
		Year ended 31.03.2016	
	Total equity (Shareholder's funds) as per previous GAAP	6268	
	Add / Less : adjustments under Ind AS:		
(a)	MTM impact	168	
(b)	Fair value exercise on transition - plant, property & equipment, investments etc. (net of related adjustments) and adjustments for ECL relating to receivables	4319	
(c)	Impact of EIR accounting for loan	12	
(d)	Straight lining of lease	(41)	
(e)	Others	(122)	
	Total Adjustment	4336	
	Total equity (Shareholder's funds) as per Ind AS	10604	
11	An interim dividend of Rs. 133 crore (par value Rs.10 each) per equity share was declared on 15 February, 2017.		
12	Distribution Franchisee Agreements have been executed by three wholly owned subsidiaries during the year for undertaking distribution of electricity at selected licensee areas in the state of Rajasthan, operation in respect of two of which have commenced during the year.		
13	The figures for last quarters in column 1, 2 & 3 are the balancing figures between audited figures in respect of the full financial year ended 31.03.2017 and the published year to date figures upto 31.12.2016, being the date of end of the third quarter of the current financial year which were subject to limited review, other than effect of certain transition adjustments effected during the quarter.		
14	In order to lay specific focus on its operations and investments in the areas, inter alia, of power distribution, generation, organised retail and other sundry areas including business process outsourcing & property by way of due alignment, the Board of directors of the Company have approved the draft composite scheme of arrangement post the balance sheet date. The composite scheme of arrangement provides for the demerger of the Company into four listed entities focussed on the above referred four verticals with appointed date of 1 October 2017. The composite scheme of arrangement shall be subject to necessary approvals. Upon implementation of the Scheme, each shareholder of the Company would be entitled to fully paid shares of the respective companies in terms of the scheme.		

Aniruddha Ban

Particulars	Rs. in crore	
	Year Ended 31.03.2017 Audited	Year Ended 31.03.2016 Audited
Segment Revenue		
a. Power	10602	9011
b. Retail	2038	1824
c. Property	113	87
d. Process outsourcing	3559	3227
Total	16312	14149
Less: Inter segment revenue	(2110)	(1761)
Net segment revenue	14202	12388
Segment Results before tax and finance cost		
a. Power	2293	2188
b. Retail	(67)	(93)
c. Property	34	44
d. Process outsourcing	380	337
Total	2640	2476
(i) Finance costs	(1497)	(1494)
(ii) Share of profit in associate	48	64
(iii) Exceptional item	-	(4)
Profit before tax, non controlling interest and other comprehensive income	1191	1042

Particulars	As at	
	31.03.2017 Audited	31.03.2016 Audited
Segment Assets		
a. Power	33224	32245
b. Retail	557	506
c. Property	498	489
d. Process outsourcing	1191	907
e. Unallocated	2435	2646
Total	37905	36793
Segment Liability		
a. Power	5859	5777
b. Retail	336	286
c. Property	60	37
d. Process outsourcing	283	287
e. Unallocated	19534	18710
Total	26072	25097

By Order of the Board



Aniruddha Basu
Managing Director

Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CESC Limited

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditors' Responsibility

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

Lovelock & Lewes, Plot No. Y 14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar,
Kolkata - 700 091

T: +91 (33) 2357 9260, +91 (33) 2357 7600, F: +91 (33) 2357 7496



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of CESC Limited

Report on the Financial Statements

Page 2 of 3

made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

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

Other Matter

10. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 19, 2016 and May 21, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of these matters

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. As required by Section 143 (3) of the Act, we report that:



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of CESC Limited

Report on the Financial Statements

Page 3 of 3

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

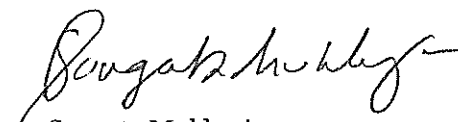
i The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 32;

ii. The Company has long-term contracts including derivative contracts as at March 31, 2017 for which there were no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 15.

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


Sougata Mukherjee
Partner
Membership Number 057084

Kolkata
May 18, 2017

Lovelock & Lewes

Chartered Accountants

Annexure A to Independent Auditors' Report

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

Page 1 of 2

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

1. We have audited the internal financial controls over financial reporting of CESC Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



Lovelock & Lewes, Plot No. Y 14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata - 700 091

T: +91 (33) 2357 9260, +91 (33) 2357 7600, F: +91 (33) 2357 7496

Lovelock & Lewes

Chartered Accountants

Annexure A to Independent Auditors' Report

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

Page 2 of 2

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

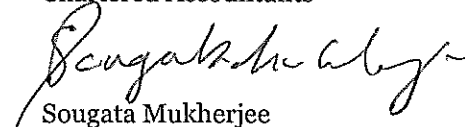
7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

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

Kolkata
May 18, 2017

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


Sougata Mukherjee
Partner
Membership Number: 057084

Lovelock & Lewes

Chartered Accountants

Annexure B to Independent Auditors' Report

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

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets, except those in the transmission and distribution system for which we have been informed that, physical verification is not practicable, have been physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification
 - (c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of excise, value added tax which have not been deposited on account of any dispute. The particulars of dues of sales tax and duty of customs as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:



Lovelock & Lewes, Plot No. Y 14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata - 700 091

T: +91 (33) 2357 9260, +91 (33) 2357 7600, F: +91 (33) 2357 7496

Lovelock & Lewes

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of [CESC Limited on the standalone financial statements for the year ended March 31, 2017

Page 2 of 3

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

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.



Lovelock & Lewes

Chartered Accountants

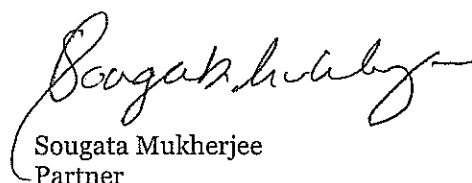
Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of [CESC Limited on the standalone financial statements for the year ended March 31, 2017

Page 3 of 3

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

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



Sougata Mukherjee
Partner
Membership Number 057084

Kolkata
May 18, 2017

Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of CESC Limited

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

1. We have audited the accompanying consolidated Ind AS financial statements of CESC Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint venture and associate company (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its associate and joint venture in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and joint venture respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.



Lovelock & Lewes, Plot No. Y 14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata - 700 091

T: +91 (33) 2357 9260, +91 (33) 2357 7600, F: +91 (33) 2357 7496

Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of CESC Limited

Report on the Consolidated Ind AS Financial Statements

Page 2 of 5

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

8. We draw attention to Note No 55 of the Consolidated Ind AS Financial Statements relating to additional levy of Rs 998 crores paid pursuant to Coal Mine Special Provision Act, 2015 read with Rules / Ordinance etc. and recognized as recoverable through tariff in earlier years (Rs 897 crore accounted for as receivable and the balance amount as fuel cost) and discounting such receivable to its present value of Rs 116 crore with corresponding adjustment made for the difference to the retained earnings as at April 1, 2015, based on an expected period of recovery, pursuant to the accounting requirements under Ind-AS 109 Financial Instruments. Our opinion is not qualified in respect of these matters.



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of CESC Limited

Report on the Consolidated Ind AS Financial Statements

Page 3 of 5

Other Matter

9. We did not audit the financial statements of 36 subsidiaries, and 1 joint venture whose financial statements reflect total assets of Rs 16,080.19 Crs and net assets of Rs 7,112.11 Crs as at March 31, 2017, total revenue of Rs. 8,603.20, net loss of Rs 144.47 Crs and net cash flows amounting to Rs (82.50) Crs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate company and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, joint venture and associate, is based solely on the reports of the other auditors.
Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.
10. The comparative financial information of the Parent and three subsidiaries for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015, included in these consolidated Ind AS financial statements, reflecting total assets of Rs 30,325.18 Crs and Rs. 31,204.06 Crs, net assets of Rs 16,096 Crs and Rs 15,599 Crs total revenue of Rs. 7,175 Crs, net profit of Rs 859.01 and net cash flows amounting to Rs 58.03 Crs for the year ended March 31, 2016 and transition opening balance sheet as at April 1, 2015, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed a unmodified opinion dated May 19, 2016 and May 21, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of these matters.
11. Comparative financial information for the ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 of the 36 subsidiaries and 1 joint venture (refer note 10 above) reflecting total assets of Rs 14,107.10 Crs and Rs 13,175.67, net assets of Rs 3,677.39 and Rs 3,256.30, total revenue of Rs. 6,972.94, net loss of Rs 183.42 Crs and net cash flows amounting to Rs 21.88 Crs for the year ended March 31, 2016 and transition opening balance sheet as at April 1, 2015, included in the comparative figures of the group in the consolidated financial statements has been audited by other auditors.



Jan

Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of CESC Limited

Report on the Consolidated Ind AS Financial Statements

Page 4 of 5

Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, associate company and joint venture incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, associate company and joint venture incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and joint venture incorporated in India, none of the directors of the Group companies, its associate company and joint venture incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group, its associate and joint venture— Refer Note 33 (a) (i), 33 (a) (ii) and 33 (c) to the consolidated Ind AS financial statements.
 - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any,



Lovelock & Lewes

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of CESC Limited

Report on the Consolidated Ind AS Financial Statements

Page 5 of 5

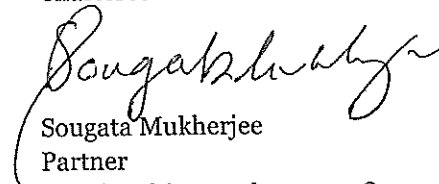
on long-term contracts including derivative contracts as at March 31, 2017– Refer (a Note 57 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associate and joint venture

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate company and joint venture incorporated in India during the year ended March 31, 2017.
- iv. The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company, and its subsidiary companies, associate company and joint venture incorporated in India and as produced to us by the Management – Refer Note 58.

For Lovelock & Lewes

Firm Registration Number: - 301056E

Chartered Accountants



Sougata Mukherjee

Partner

Membership Number: 057084

Kolkata

May 18, 2017

dm

Lovelock & Lewes

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 11[f] of the Independent Auditors' Report of even date to the members of CESC Limited on the Consolidated Financial Statements for the year ended March 31, 2017

Page 1 of 3

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017 we have audited the internal financial controls over financial reporting of CESC Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate company and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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



Lovelock & Lewes

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 11[f] of the Independent Auditors' Report of even date to the members of CESC Limited on the Consolidated Financial Statements for the year ended March 31, 2017

Page 2 of 3

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate company and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Lovelock & Lewes

Chartered Accountants

Annexure A to Independent Auditors' Report

Referred to in paragraph 11[f] of the Independent Auditors' Report of even date to the members of CESC Limited on the Consolidated Financial Statements for the year ended March 31, 2017

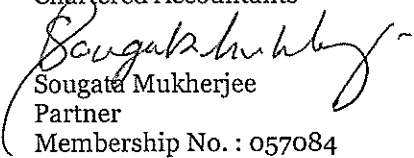
Page 3 of 3

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies, an associate company and a joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

Om
Kolkata
May 16, 2017

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


Sougata Mukherjee
Partner
Membership No. : 057084



Registered Office: CESC House, Chowringhee Square, Kolkata 700 001
CIN : L31901WB1978PLC031411
E-mail ID: cesclimited@rp-sg.in; Website: www.cesc.co.in
Tel: (033) 6499 0049; Fax: (033) 2212 4262

Extract of Financial Results for the Quarter and Year ended 31 March 2017

Particulars	(Rs. crore)			
	Standalone		Consolidated	
	Three months ended	Three months ended	Year Ended	Year Ended
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Total Income from operations	1631	1504	7367	6924
Net Profit for the period (before tax and exceptional items)	379	345	1101	1046
Net Profit for the period before tax (after exceptional items)	379	345	1101	1046
Net Profit for the period after Tax (after exceptional items)	295	293	863	845
Total comprehensive income for the period	281	277	824	812
Paid-up Equity Share Capital (Shares of Rs. 10 each)	133	133	133	133
Reserves (excluding Revaluation Reserves as shown in the Audited Balance Sheet as on 31 March, 2017)	-	-	13191	12868
Earnings Per Share (EPS) (Rs.) (Face value of Rs.10 each) Basic & Diluted (*not annualised)	21.15*	20.88*	62.14	61.27
				47.22
				45.08

The above is an extract of the detailed format of Financial Results for the quarter and year ended on 31 March 2017 filed with stock exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of standalone Financial Results for the quarter and year ended on 31 March 2017 are available on stock exchange websites (www.nseindia.com, www.bseindia.com and www.cse-india.com) and on the company's website (www.cesc.co.in)

By Order of the Board

Aniruddha Basu
Managing Director

Dated : May 18 , 2017

ED(F) : 70155

18 May, 2017

The Secretary
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street
Mumbai – 400 001

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

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

Dear Sirs,

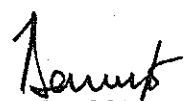
**Declaration pursuant to Regulation 33 (3)(d) of the Securities & Exchange Board of
India (Listing Obligations and Disclosure Requirements) Regulations, 2016**

I, Rajarshi Banerjee, Executive Director & CFO of CESC Limited (CIN No L31901WB1978PLC031411) having its Registered Office at CESC House, Chowringhee Square, Kolkata – 700 001 hereby declare that, the Statutory Auditors of the Company, Messrs. Lovelock & Lewes (FRN No. 301056E) have issued an Audit Report with unmodified opinion on Audited Financial Results of the Company (Standalone & Consolidated) for the year ended on 31 March, 2017.

This Declaration is given in compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016, vide notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Kindly take this declaration on your records.

Yours sincerely,
For CESC Limited



Rajarshi Banerjee
Executive Director & CFO