

Lovelock & Lewes

Chartered Accountants

To

Board of Directors

CESC Limited

CESC House, Chowringhee Square

Kolkata 700 001

Auditors' Certificate

- 1) This certificate is issued in accordance with the terms of our agreement dated May 18, 2017.
- 2) The accompanying undertaking approved by the Board in its meeting held on May 18, 2017 (the "Undertaking") stating the reasons for non-applicability of Paragraph 9(a) of circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities Exchange Board of India ("SEBI") (hereinafter referred to as the "Circular") has been prepared by the Management of CESC Limited (the 'Company') pursuant to the requirements of paragraph 9(c) of the Circular in connection with its proposed scheme of arrangement between the Company, CESC Infrastructure Limited (CIL), Spencer's Retail Limited (SRL), Music World Retail Limited (Music World), Spen Liq Private Limited (SPL), New Rising Promoters Private Limited (New Rising), CESC Limited (CESC), Haldia Energy Limited (HEL), RP-SG Retail Limited (RRL), RP-SG Business Process Services Limited (RBPSL) and Crescent Power Limited (CPL) and their respective shareholders (hereinafter referred to as the "Proposed Scheme"). We have initialled the Undertaking for identification purpose only.

Management's Responsibility for the Undertaking

- 3) The preparation of the Undertaking is the responsibility of the Management of the Company including the creation and maintenance of all accounting and other records supporting the contents of the Scheme. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Undertaking.
- 4) The Management is also responsible for ensuring that the Company complies with the requirements of the Circular and the Companies Act, 2013 in relation to the Proposed Scheme and for providing all the information to the Bombay Stock Exchange, Calcutta Stock Exchange and National Stock Exchanges.

Auditors' Responsibility

- 5) Pursuant to the Circular, it is our responsibility to examine the Proposed Scheme and certify whether the requirements in Paragraph 9(a) as set out in the Undertaking are applicable to the Proposed Scheme.
- 6) We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 7) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

Based on our examination as above, and the information and explanations furnished to us, we certify that, to the best of our knowledge, the requirements in Paragraph 9(a) of the Circular as set out in the Undertaking are not applicable to the Proposed Scheme.

Certified to be True Copy

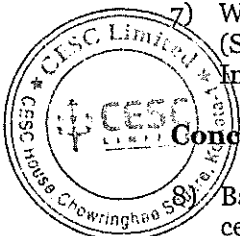
Lovelock & Lewes, Plot No. Y 14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata - 700 091

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CESC LIMITED

Authorised Signatory

Head office: Plot No. Y 14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata - 700 091



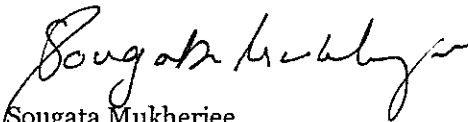
Lovelock & Lewes

Chartered Accountants

Restriction on Use

- 8) Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Circular. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.
- 9) This certificate has been issued for the sole use of the Board of Directors of the Company, to whom it is addressed, to enable the Company to make its application to the Stock Exchanges and should not be used by any other person or for any other purpose. Lovelock & Lewes neither accepts nor assumes any duty or liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior consent in writing.

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

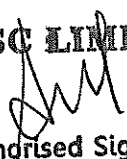


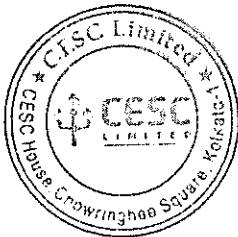
Sougata Mukherjee
Partner
Membership Number: 057084

Place : Kolkata
Date : May 18, 2017

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CESC LIMITED


Authorized Signatory





Undertaking in relation to non-applicability of requirements prescribed in Para I(A)(9)(a) of Annexure I of SEBI Circular No. CFD/DIL3/2017/21 dated March 10, 2017 ("SEBI Circular") in respect of Composite Scheme of Arrangement.

This is in connection of the Composite Scheme of Arrangement ("the Scheme") between CESC Infrastructure Limited (CIL), Spencer's Retail Limited (SRL), Music World Retail Limited (Music World), Spen Liq Private Limited (SPL), New Rising Promoters Private Limited (New Rising), CESC Limited (CESC), Haldia Energy Limited (HEL), RP-SG Retail Limited (RRL), RP-SG Business Process Services Limited (RBPSL) and Crescent Power Limited (CPL) pursuant to the SEBI Circular wherein SEBI has mandated all listed companies to ensure that the Scheme submitted with the Honorable High Court for sanction, provides for voting by public shareholders through postal ballot and e-voting after disclosure of all material facts in the explanatory statement, in certain cases, in terms of Para I(A)(9)(a) of Annexure I of SEBI Circular.

The Company hereby undertakes that the requirement of Para I(A)(9)(a) of Annexure I of SEBI Circular pertaining to voting by public shareholders through postal ballot and e-voting is not applicable to the Company for the following reasons:

1. Para I(A)(9)(a)(i)

Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity

Reasons for non-applicability

This clause is not applicable in our fact pattern as, upon scheme coming into effect the following has been envisaged:

- Issue of shares by the HEL, RRL and RBPSL, respectively, to the existing shareholders of CESC on Demerger of Power Generation Undertaking, Retail Undertaking and IT Undertaking by CESC

HEL, RRL and RBPSL shall issue and allot equity shares at par on a proportionate basis to each member of CESC whose name is recorded in the register of members of CESC as holding equity shares on Record Date in the following ratios:

- On demerger of Power Generation Undertaking, HEL will issue 1 (one) equity share (face value INR 10 per share) to the shareholder of CESC for two shares held by them in CESC
- On demerger of Retail Undertaking, RRL will issue 3 (three) equity shares (face value INR 5 per share) to the shareholder of CESC for each 5 shares held by them in CESC
- On demerger of IT Undertaking, RBPSL will issue 1 (one) equity share (face value INR 10 per share) to the shareholder of CESC for each 5 shares held by them in CESC

- Cancellation of the existing share capital of HEL, RRL and RBPSL

Simultaneous with the issuance of equity shares by the HEL, RRL and RBPSL to the shareholders of CESC, the existing equity share capital of HEL, RRL and RBPSL will be cancelled.

This will ensure that shareholding pattern of HEL, RRL and RBPSL are identical to and mirror image of that of CESC.



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- Issue of shares by RRL to CESC on demerger of Core Retail Undertaking by SRL

On demerger of Core Retail Undertaking of SRL, RRL will issue preference shares worth INR 5 crores to CESC

- Merger of CIL, SRL and Music World with CESC

No shares would be issued on merger of CIL and SRL with CESC, since CIL and SRL are the wholly owned subsidiaries (WOS) of CESC. Further, on merger of SRL with CESC, Music World would become the WOS of CESC and hence, no shares would be issued on merger of Music World with CESC

- Merger of SPL with RBPSL

No shares would be issued on merger of SPL with RBPSL since at the time of merger of SPL with RBPSL, SPL would be a WOS of RBPSL

- Merger of New Rising with CPL

No shares would be issued on merger of New Rising with CPC, since New Rising is a WOS of CPL

Accordingly, it is evident from the above that all the shareholders of CESC would get shares in HEL, RRL and RBPSL in proportion to their entitlement and there would be no additional allotment to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of CESC.

2. Para I(A)(9)(a)(ii)

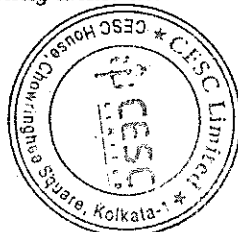
Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group

Reasons for non-applicability

This clause is not applicable in our fact pattern as the Scheme is envisaged between CESC and its various subsidiaries (direct and indirect) and thus it does not involve any arrangement between CESC and any other entity / entities involving the Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.

3. Para I(A)(9)(a)(iii)

Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme



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Reasons for non-applicability

This clause is not applicable as CESC (being the parent listed company) has not acquired any equity shares of CIL, SRL and Music World by paying consideration in cash or in kind in the past to any of the shareholders of CIL and Music World who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of CESC.

4. Para I(A)(9)(a)(iv)

Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity;

Reasons for non-applicability

On merger of CIL, SRL and Music World with CESC, there would be no issue of further equity shares by CESC and hence there would be no change in the share capital of CESC.

5. Para I(A)(9)(a)(v)

Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares.

Reasons for non-applicability

This clause is not applicable on demerger of Power Generation Undertaking, Retail Undertaking and IT Undertaking from CESC to HEL, RRL and RBPSL, respectively, since on the demerger, HEL, RRL and RBPSL would issue shares to the shareholders of CESC in proportion of their shareholding in CESC, pursuant to which HEL, RRL and RBPSL would get listed on the Stock Exchanges where shares of CESC are listed

In the light of the above reasons, CESC is not required to seek approval of the public shareholders through postal ballot and e-voting in relation to the Composite Scheme of Arrangement between CESC Infrastructure Limited, Spencer Retail Limited, Music World Retail Limited, Spen Liq Private Limited, New Rising Promoters Private Limited, CESC Limited, Haldia Energy Limited, RP-SG Retail Limited, RP-SG Business Process Services Limited and Crescent Power Limited.

For CESC Limited


Company Secretary

Date: 18 May 2017

Place: Kolkata

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