CESC LIMITED

Board of Directors

Rama Prasad Goenka, *Chairman*
Sanjiv Goenka, *Vice-Chairman*
Pradip (Pinto) Khaitan
Brij Mohan Khaitan
Bhagwati Prasad Bajoria
Pradip Roy *(Nominee of IDBI)*
Tarun Kumar Ray *(Nominee of IFCI)*
Priya Brata Ghosh
Birenjit Kumar Paul *(Nominee of Govt. of West Bengal)*
Sudhin Roy Chowdhury *(Nominee of LIC)*
K. M. Jaya Rao *(Nominee of ICICI Bank)*
Sumantra Banerjee, *Managing Director*

Secretary

Subhasis Mitra

Auditors

Lovelock & Lewes

Solicitors

Khaitan & Co.
Orr, Dignam & Co.
Sandersons & Morgans

Registered Office

CESC House
Chowringhee Square
Kolkata 700 001
Telephone : (033) 2225 6040
Facsimile : (033) 2225 5155
E-mail : cesc@cescltd.com
Website : www.cescltd.com

Bankers

ABN Amro Bank N.V.
Allahabad Bank
American Express Bank Ltd.
Bank of Baroda
Bank of India
Corporation Bank
HDFC Bank Ltd.
ICICI Bank Limited
Indian Bank
Indian Overseas Bank
Standard Chartered Bank
State Bank of India
The Hongkong & Shanghai Banking Corporation Ltd.
UCO Bank
Union Bank of India

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Cover : Kolkata, the CESC city, is being transformed into a city of Flyovers.

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Notice to Members

Notice is hereby given that the Twenty-sixth Annual General Meeting of the Members of CESC Limited will be held at CITY CENTRE, Royal Bengal Room, DC Block, Sector - I, Salt Lake, Kolkata - 700 064, on Friday, 30 July 2004 at 10.30 A.M. for the following purposes :

1. To receive and consider the Profit & Loss Account for the year ended 31st March, 2004, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.

2. To appoint a Director in place of Mr. B. P. Bajoria who retires by rotation and, being eligible, offers himself for reappointment.

3. To appoint a Director in place of Mr. Pradip (Pinto) Khaitan who retires by rotation and, being eligible, offers himself for reappointment.

4. To appoint Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following Ordinary Resolution :

   "RESOLVED THAT the retiring Auditors, Messrs. Lovelock & Lewes, be and they are hereby reappointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs.14,00,000/- payable in two equal instalments plus service tax and reimbursement of out-of-pocket expenses."

SPECIAL BUSINESS

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

5. AS AN ORDINARY RESOLUTION

   "RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company ("the Board") of all the immovable and movable properties of the Company, wheresoever situate, present and future, in favour of :

   (a) Housing and Urban Development Corporation Limited (HUDCO) for its term loan of Rs. 300 crore, and

   (b) all or any of the following working capital bankers of the Company, namely,

      i. ABN Amro Bank N.V.

      ii. Allahabad Bank

      iii. American Express Bank Limited

      iv. Bank of Baroda

      v. Bank of India

      vi. Corporation Bank

      vii. HDFC Bank Limited

      viii. The Hongkong and Shanghai Banking Corporation

      ix. ICICI Bank Limited

      x. Indian Bank

      xi. Indian Overseas Bank

      xii. Standard Chartered Bank

      xiii. State Bank of India

      xiv. UCO Bank

      xv. Union Bank of India

      xvi. United Bank of India

   (the abovenamed sixteen working capital bankers hereinafter collectively referred to as "the Working Capital Bankers") for their fund and non-fund based working capital facilities aggregating a sum of Rs.467.33 crore as per details furnished in the Explanatory Statement hereto to secure the said term loan and working capital facilities together with interests, charges, expenses, front-end fees and all other monies payable by the Company to HUDCO and all or any of the said Working Capital Bankers in terms of their Letters of Sanction / Loan Agreements / Facility Agreements/ Hypothecation Agreements / Joint Consortium Agreement or any other Agreement entered into/ to be entered into by the Company with HUDCO and/or the said Working Capital Bankers or as may be amended from time to time in respect of the said loan or working capital facilities so that mortgage and/or charge may be created by the Company in favour of HUDCO and the Working Capital Bankers in such form and subject to such prior charges or with such pari passu ranking of charges as may be decided by the Board in consultation with HUDCO and the Working Capital Bankers.

   AND FURTHER THAT the Board be and is hereby authorised to finalise and execute with HUDCO and the said Working Capital Bankers all such deeds and documents for creating the aforesaid mortgage and/or charge and to do all such acts, deeds and things as may be deemed necessary for giving effect to the above Resolution."

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6. AS AN ORDINARY RESOLUTION :

"RESOLVED THAT Mr. J. P. Saha from whom a notice pursuant to the provisions of Section 257 of the Companies Act, 1956 has been received be and is hereby appointed a Director of the Company".

The Register of Members of the Company at Kolkata will remain closed from 20 July 2004 to 30 July 2004 both days inclusive.

Registered Office :
CESC House
Chowringhee Square
Kolkata 700 001
28 June 2004

By Order of the Board

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.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business under Items 5 and 6 is annexed hereto.
3. Members are informed that in terms of the amended provisions of Section 205A of the Companies Act, 1956 and the rules framed thereunder, any dividend remaining unpaid or unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund ('the Fund'). Accordingly, all unpaid / unclaimed dividends in respect of dividend declared for and upto the financial year ended 31 March 1996 have been transferred to the Fund and the said dividend for the year 1996-97 shall be transferred to the Fund immediately after 5 November 2004. As no claim shall lie against the Fund or the Company in respect of any dividend transferred to the Fund, members are requested to immediately write to the Company claiming the said dividend, if payment thereof has not been received by any member.

PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE REAPPOINTED AT THE MEETING ARE GIVEN BELOW :

MR. B. P. BAJORIA is a noted industrialist and has been a director of the Company since 1995. He is a director of Kesoram Industries Limited (also member of Shareholders' / Investors' Grievance Committee), Texmaco Limited (also member of Audit Committee), IFGL Refractories Limited, The Grob Tea Company Limited and Mcleod & Co. Limited. Mr. Bajoria is the Chairman of the Audit and Remuneration Committees of the Board of CESC Limited.

MR. PRADIP (Pinto) KHAITAN is a well-known corporate advisor and a senior partner of Khaitan & Co., the noted firm of lawyers. He joined the Board of Directors of the Company in 1992. Mr. Khaitan is a director of Electrosteel Castings Limited (also member of Audit Committee), Graphite India Limited (also Chairman of Remuneration Committee), Hindustan Motors Limited (also member of Investors' Grievance and Remuneration Committees), OCL India Limited, Pilani Investment & Industries Corporation Limited., GIS Limited (also Chairman of Remuneration Committee), Dalmia Cement (Bharat) Limited, India Glycols Limited, South Asian Petrochem Limited (also member of Remuneration Committee), Woodlands Hospital and Medical Research Centre Limited and Lanco Industries Limited. Mr. Khaitan is a member of Forex and Remuneration Committees of the Board of CESC Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE TWENTY-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 30 JULY 2004

Item No. 5

The Company has been sanctioned a term loan of Rs.300 crore by Housing and Urban Development Corporation Limited (HUDCO) and proposes to utilize the HUDCO loan for prepaying a part of its existing rupee debt for reducing the borrowing costs. The said HUDCO loan and the working capital facilities aggregating a sum of Rs.467.33 crore sanctioned by the following sixteen working capital bankers of the Company are required to be secured, inter alia, by a mortgage over all immovable properties of the Company. The security to be created as above in respect of the HUDCO loan will rank pari passu with the security created / to be created by the Company in favour of its other first chargeholders who have sanctioned various facilities to the Company from time to time. After creation of the said security in HUDCO's favour, security created in respect of the existing debt which will be paid off utilizing HUDCO's loan will be released. The mortgage security to be created in favour of the sixteen working

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capital bankers of the Company will rank pari passu inter se but subservient to the security created / to be created in favour of the Company's first chargeholders.

Details of the aforesaid working capital facilities are given below :

(Rs.in Crores)

No.	Name of the Banks	Fund Based	Non Fund Based	Total
i)	ABN Amro Bank N.V.	7.75	–	7.75
ii)	Allahabad Bank	6.00	–	6.00
iii)	American Express Bank Limited	34.50	14.00	48.50
iv)	Bank of Baroda	7.40	2.00	9.40
v)	Bank of India	6.00	2.65	8.65
vi)	Corporation Bank	6.00	–	6.00
vii)	HDFC Bank Limited	17.00	10.00	27.00
viii)	ICICI Bank Limited	12.00	–	12.00
ix)	Indian Bank	6.00	–	6.00
x)	Indian Overseas Bank	22.57	5.00	27.57
xi)	Standard Chartered Bank	93.00	15.00	108.00
xii)	State Bank of India	26.00	31.46	57.46
xiii)	The Hongkong and Shanghai Banking Corporation	14.00	–	14.00
xiv)	UCO Bank	30.00	35.00	65.00
xv)	Union Bank of India	24.00	15.00	39.00
xvi)	United Bank of India	25.00	–	25.00
		337.22	130.11	467.33

Mr. K. M. Jaya Rao who is a Director of the Company as a Nominee of ICICI Bank Limited may be deemed to be interested or concerned in the Resolution. No other Director is concerned or interested in the Resolution.

Item No. 6

The Company has received from Mr. J. P. Saha, a member, a notice dated 6 May 2004 under Section 257 of the Companies Act, 1956 proposing himself as a candidate for the office of Director of the Company. The resolution relating to Mr. Saha's aforesaid notice has been included in Item No. 6 of the Notice. The Management, however, does not support the resolution.

Registered Office:
CESC House
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Kolkata 700 001
28 June 2004

By Order of the Board

Subhasis Mitra
Company Secretary

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