

Board of Directors

Sanjiv Goenka, *Chairman*
 Pradip Kumar Khaitan
 Brij Mohan Khaitan
 Srikandath Narayan Menon
 Chandra Kumar Dhanuka
 Sanjay Kumar Pai *Nominee of IDBI Bank Limited*
 Rekha Sethi
 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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Cover

The power generated by Haldia Energy Limited will be evacuated through a 90 km long 400 kV D/C transmission line emanating from the 400 Kv Substation of Haldia power project and terminating at the Subhasgram Substation of Power Grid Corporation. The two river crossing towers, each 236 metres tall weighing 1800 tonnes, are now ready for stringing of conductors.

The tallest power transmission towers in India till date are located at Rihand Lake crossing with a height of 155 metres.

Chairman's Letter

Dear Shareholder,

The year that went by continued to be a difficult one for the nation - growth was hampered and investments kept slowing down. In April-June 2011, India's real GDP growth was 7.5%, which was lower than earlier, but reasonable enough given the aftermath of the global economic and financial crisis. Four quarters later, in April-June 2012, it was down to 4.5%. A year later it was 4.7%. And for January-March 2014, it posted 4.6%.

This falling trend shows up in the annual growth rates. GDP growth was 6.2% in 2011-12, followed by 4.5% in 2012-13 and 4.7% in 2013-14.

Falling growth was accompanied by a steady reduction in the investment ratio. A poor investment climate resulted in gross fixed capital formation (GFCF) falling to 32.5% of GDP in 2013-14, versus 33.9% in the previous year. In Q3 of 2013-14, it had dropped to 31.2% - one of the lowest in a long time. To get 7.5% growth, we need GFCF to be around 37% of GDP. Today, we are far from that.

Despite this depressing milieu of 2013-14, I am pleased to report that the year has been satisfactory for your Company. Here is a brief summary of CESC's standalone financial results.

- During 2013-14, total income (including other income) increased by 3.7% to ₹ 5,610 crore.
- Earnings before interest, depreciation, taxes and amortisation (EBIDTA) went up by 8.2% to ₹ 1,533 crore.
- Cash profits before taxes, or profit before depreciation and taxation (PBDT), increased by 7.9% to ₹ 1,164 crore.
- Profit after taxes (PAT) for 2013-14 grew by 5.5% over the previous year to ₹ 652 crore.
- Earnings per share (EPS) for 2013-14 was ₹ 52.18 compared to ₹ 49.5 in the previous year.

Given that CESC operates in a regulated industry, these are creditable results. With increasing cost competitiveness and significant improvements in productivity and throughput, your Company succeeded in increasing its EBIDTA by 8.2% to ₹ 1,533 crore - and pre-tax cash profits by 7.9% to ₹ 1,164 crore.

CESC's electricity business has done well in all fronts. The plant load factor (PLF) of its three pulverised fuel plants was 89.3% in 2013-14, versus 86.4% in the previous year. These are superior to the national average PLF of 65.6%. There have been several initiatives in power distribution involving smart meters, SMS alerts, automated meter readings, the use of modern Supervisory Control and Data Acquisition (SCADA) systems, new connections, lower supply interruptions, superior billing and rectification systems, and the like. These are explained in detail in the chapter on Management Discussion and Analysis.

Let me now turn to the progress of some of your Company's major power projects.

Regarding thermal power, both units of the 2 x 300 MW coal fired power project at Chandrapur in Maharashtra were commissioned during the year. The transmission lines for power evacuation to the state and the national grid were also completed. The 2 x 300 MW coal fired power project at Haldia in West Bengal is in advanced

stages of completion. Both units should be commissioned in 2014-15, and supply power to CESC. Your Company is working on a plan to set up a 2 x 660 MW super-critical thermal plant in Dhenkanal, Odisha. Most of the statutory clearances have been obtained and the project awaits coal linkage from the Ministry of Coal, Government of India.

In wind, your Company's first venture - a 24 MW project at Dangri in Rajasthan - was successfully commissioned last year. The plant is running well. A second wind power project of 26 MW at Surendranagar in Gujarat should be commissioned in 2014-15.

In addition, your Company is exploring a number of hydro-power projects in North East India.

Now for some facts on your Company's non-power businesses. Spencer's Retail Limited, CESC's flagship company in retail, has 128 stores across India under the Spencer's label, including 34 hypermarkets. During 2013-14, it registered a same store sales growth of over 9%, and moved closer to achieving an operating breakeven. Au Bon Pain Café India Limited caters to the retail coffee and fast food. At the end of 2013-14, it had 29 cafés with significant presence in Bengaluru and Kolkata.

You may recall that Spen Liq, a wholly owned subsidiary of your Company, purchased a majority stake in Firstsource Solutions Limited (FSL) in 2012-13 - in line with CESC's strategy to be present in new businesses having significant growth potential.

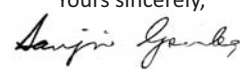
FSL provides business process management services to Fortune 500 and FTSE 100 companies in industries such as healthcare, telecom and media, banking, financial services and insurance. With 27,666 employees in its rolls, FSL supports clients from 46 service facilities spread across the USA, the UK, Ireland, Philippines, India and Sri Lanka. In 2013-14, FSL grew its revenues by 10.2% to ₹ 3,127 crore. Its PAT was ₹ 193 crore.

There has been one more addition to the non-electricity business. In 2013-14, CESC Properties Limited, a subsidiary of your Company, launched Kolkata's first upscale shopping mall, the Quest. It has a total built-up area of about 700,000 square feet with shops, retail outlets, entertainment zone, multiplex, food court and fine dining spread over seven floors. It has a thirteen-level car park to accommodate some 900 cars. By the end of the year, Quest's occupancy comprised about 85% of the retail area.

Let me end with a note of optimism. The first time after December 1984, the country has awarded a clear Lok Sabha majority to a single party. I have little doubt that the new government will do all it can to set sail for a 7.5% GDP growth. Let us look forward to a better tomorrow for all of us.

Thank you for your support.

With best regards,

Yours sincerely,


Sanjiv Goenka
 Chairman

30 May, 2014

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; Website : www.cesc.co.in

Corporate Identity Number : L31901WB1978PLC031411

NOTICE TO THE MEMBERS

Notice is hereby given that the Thirty-sixth 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 Wednesday, 30 July 2014 at 10.30 AM for the following purposes :

1. To receive, consider and adopt the audited financial statements for the year ended 31 March 2014, 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. Sanjiv Goenka (DIN 00074796) who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Sanjay Kumar Pai (DIN 00307575) who retires by rotation and, being eligible, offers himself for reappointment.
5. 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 pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the retiring Auditors, Messrs. Lovelock & Lewes (Firm Registration Number 301056E), be and they are hereby reappointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty-ninth AGM of the Company at such remuneration as may be decided by the Audit Committee of the Board of Directors of the Company and the said reappointment be placed for ratification by members at the Thirty-seventh and the Thirty-eighth AGM of the Company."

SPECIAL BUSINESS

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

6. AS AN ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr Brij Mohan Khaitan (DIN 00023771) be and is hereby appointed as an Independent Director, not liable to retire by rotation, for a period of five years with effect from 1 April 2014."

7. AS AN ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr Srikandath Narayan Menon (DIN 01475746) be and is hereby appointed as an Independent Director, not liable to retire by rotation, for a

period of five years with effect from 1 April 2014."

8. AS AN ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr Chandra Kumar Dhanuka (DIN 00005684) be and is hereby appointed as an Independent Director, not liable to retire by rotation, for a period of five years with effect from 1 April 2014."

9. AS AN ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr Pradip Kumar Khaitan (DIN 00004821) be and is hereby appointed as an Independent Director, not liable to retire by rotation, for a period of five years with effect from 1 October 2014."

10. 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 and the Rules made thereunder, Ms Rekha Sethi (DIN 06809515) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 30 May 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 years with effect from 30 May 2014."

11. AS A SPECIAL RESOLUTION

"RESOLVED THAT in terms 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) HDFC Bank Limited (HDFC) for two term loans aggregating ₹ 275 crores;
- (b) Punjab & Sind Bank (PSB) for three term loans aggregating ₹ 250 crore;
- (c) State Bank of India (SBI) for a term loan of ₹ 350 crore;
- (d) State Bank of Patiala (SBP) for a term loan of ₹ 200 crore;
- (e) Standard Chartered Bank (SCB) for an external commercial borrowing of USD 4.5 crore;
- (f) Union Bank of India (UBI) for three term loans aggregating ₹ 325 crore;

(g) AXIS Bank Limited (ABL), Bank of Baroda (BoB), HDFC, Punjab National Bank (PNB), SBI, SCB and YES Bank Limited (YBL) for their incremental share of ₹ 15 crore, ₹ 32.6 crore, ₹ 33 crore, ₹ 50 crore, ₹ 49.89 crore, ₹ 27 crore and ₹ 180 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 HDFC, PSB, SBI, SBP, SCB and UBoI (collectively referred to as 'the Term Lenders') and ABL, BoB, HDFC, PNB, SBI, SCB and YBL (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 the Working Capital Bankers.

FURTHER RESOLVED THAT the Board be and is hereby authorized to finalise and execute with all or any of the Term Lenders and the Working Capital Bankers all such deeds and documents for creating the aforesaid 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."

12. AS A SPECIAL RESOLUTION

"RESOLVED THAT in modification of the Ordinary Resolution passed by the Company in terms of Section 293(1)(d) of the Companies Act, 1956 at the twenty-third Annual General Meeting held on 29 December 2001, consent of the Company pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder be and the same is hereby accorded to the Board of Directors of the Company ('the Board') for borrowing from time to time any sum or sums of moneys on such terms and conditions as the Board may deem requisite or proper for the purpose of the business of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company may exceed the aggregate of its paid-up share capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), provided that the total amount borrowed and to be so borrowed by the Board (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining outstanding at any one time shall not exceed the limit of ₹ 4,500 crores and that, for the purpose of implementation of this Resolution, the Board may act through any member thereof or any other person duly authorized by the Board in that behalf."

13. 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 2015, 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 20 June 2014 to 30 June 2014, both days inclusive.

By Order of the Board

Kolkata
30 May 2014

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 of the Companies Act, 2013 in respect of the items of special business under items 6 to 13 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 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 19 June 2014.
4. Members holding shares in physical form may inform the Company of necessary particulars (including 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 herewith 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 latest by 15 July, 2014. 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

shareholders holding shares in electronic form is to be notified to the DP only.

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. 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
6. Dividend not claimed 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 2007 will be transferred to IEPF on or before 30 August 2014. Claims for payment of such dividend should, therefore, be lodged with the Company immediately.
7. Voting through Electronic means :

The Company will provide to its members the facility to exercise their right to vote at the Thirty-sixth Annual General Meeting (AGM) by electronic means and the business will be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The instructions for 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 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 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 with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participant(s) or those requesting for physical copy] :
 - i) Initial password is provided at the bottom of the Attendance Slip for the AGM as stated below :
EVEN (E-Voting Event Number) USER ID PASSWORD / PIN
 - ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
 - I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
 - 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 e-Voting period commences on 24 July 2014 (9.00 am) and ends on 26 July, 2014 (6.00 pm). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19 June 2014, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - 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 (record date) of 19 June 2014.
 - VI. Mr. Anil Murarka, Practising Company Secretary (Membership no. FCS 3150) has been appointed as the Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.

VII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

VIII. The Results shall be declared at the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cesc.co.in and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the shares of the Company are listed.

8. Those members, who do not have access to e-Voting facility, if they so desire, may contact the Secretarial Department, CESC Limited, CESC House, Chowringhee Square, Kolkata-700001 for assistance in casting the votes. Outstation members may call (033) 22040754 or mail to secretarial@rp-sg.in for guidance.

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

MR SANJIV GOENKA, 53 years of age, is a renowned industrialist. He is a commerce graduate and the Chairman of RP-Sanjiv Goenka group having an asset base of more than US\$ 4.3 billion, over 50,000 employees and about a hundred thousand shareholders with annual revenues of approximately US\$ 2.6 billion. He is on the board of directors of the Company since 1989 and Chairman of Stakeholders Relationship Committee and member of Audit and Finance & Forex Committee.

The group's businesses spanning across six sectors - power & natural resources, carbon black, retail, media & entertainment and IT & education, include companies such as CESC Limited, Firstsource Solutions Limited, Phillips Carbon Black Limited and Saregama India Limited.

Mr Goenka is currently the honorary consul of Canada in Kolkata. He took over as the youngest-ever President of the Confederation of Indian Industry (CII) and is a former President of The All India Management Association (AIMA) as well as a member of the Prime Minister's council on trade & industry. He was appointed Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur (IIT-KGP) and currently serves on the board of the Indian Institute of Management, Calcutta.

Mr Goenka is Vice Chairman of RPG Enterprises Limited, Chairman of Phillips Carbon Black Limited, Saregama India Limited (also Chairman of its Shareholders Grievance Committee), Spencer International Hotels Limited, Spencer and Company Limited, Harrisons Malayalam Limited, Firstsource Solutions Limited and Woodlands Multispeciality Hospital Limited. He is also on the board of STEL Holdings Limited, Noida Power Company Limited, Eveready Industries India Limited (also member of its Remuneration Committee) and Graphite India Limited.

Mr Goenka holds 2,58,498 equity shares in the Company.

MR SANJAY KUMAR PAI, 59 years of age, is a Nominee Director on the Board of Directors of CESC since January 2013. He holds a master's degree in Physics and is currently the Chief General Manager (Human Resource Development) of IDBI Bank Limited.

Mr Pai is member of the Nomination and Remuneration Committee of the board of directors of the Company.

Mr Pai does not hold any share in the Company.

MR. BRIJ MOHAN KHAITAN, 86 years of age, is a renowned industrialist having interest in tea, batteries and engineering industries. He is a commerce graduate. Mr. Khaitan has made significant contributions to the tea industry with which he has been associated for over five decades. He has also been associated with various leading chambers of commerce and trade associations.

Mr. Khaitan is the Chairman of Williamson Magor & Company Limited, Eveready Industries India Limited and Mcleod Russel India Limited and is a Director of Babcock Borsig Limited and Jayshree Tea & Industries Limited (also Chairman of its Remuneration Committee). He is on the board of directors of CESC since 1994, is a member of its Audit Committee and Chairman of Nomination and Remuneration Committee.

Mr. Khaitan does not hold any share in the Company.

MR SRIKANDATH NARAYAN MENON, 67 years of age, is an IAS officer of the 1969 batch. He completed his graduation and master's degree in arts. He was also awarded the Hubert Humphrey north-south fellowship at the Humphrey Institute of Public Policy at the University of Minneapolis, Minnesota.

Mr Menon worked in various capacities in the Government of West Bengal and the Government of India for 36 years before retiring as Secretary in the department of Commerce, Ministry of Commerce & Industries. He also served as the Principal Secretary to the Chief Minister of West Bengal for seven years. He is on the board of directors of the Company since 2011.

He is the Chairman of Nicco Parks & Resorts Limited, Mcleod Russell India Limited (also member of its Audit Committee) and Metrovalley Business Park Private Limited.

Mr Menon does not hold any share in the Company.

MR. CHANDRA KUMAR DHANUKA, 60 years of age, is a graduate in commerce and has over 33 years of experience in the industry. An industrialist by occupation, he is the ex-chairman of FICCI (Eastern Regional Council) and is also a member of the national committee of FICCI. Mr. C.K Dhanuka is the ex-chairman of the Indian Tea Association and the ex-vice chairman of the Tea Board.

He is on the board of directors of CESC since 2012 and is the Chairman of its Audit Committee and member of Nomination and Remuneration Committee.

Mr Dhanuka is also the ex-president of the All India Organization of Employers.

Mr Dhanuka is Chairman of Naga Dhunseri Group Limited, Mint Investments Limited, Trimplex Investments Limited, Jatayu Estate Private Limited, ABC Tea Workers Welfare, Madhuting Tea Private Limited, Plenty Valley Infra Limited, Dhunseri Investments Limited

(also its Managing Director), Dhunseri Tea & Industries Limited and Dhunseri Infrastructure Limited.

Mr Dhanuka is also on the Board of Egyptian Indian Polyester Company SAE, Dhunseri Petrochem & Tea PTE Limited, Makanadi Tea & Coffee Estates Limited and Kawalazi Estate Co. Limited. He is the Executive Chairman and Managing Director of Dhunseri Petrochem & Tea Limited (also Chairman of its Remuneration Committee and member of Audit Committee, Corporate Governance Committee, Shareholders Grievance Committee, Share Transfer Committee and Investment Committee).

He does not hold any share in the Company.

MR. PRADIP KUMAR KHAITAN, 73 years of age, is an attorney-at-law (Bell chambers gold medalist) and is an eminent legal personality. He has extensive experience in the fields of commercial and corporate law, tax law, arbitration, foreign collaborations, intellectual property, mergers and acquisitions, restructuring and de-mergers. He is a senior partner of Khaitan & Co., an eminent firm dealing with corporate and other laws. He is a member of the Bar Council of India, the Bar Council of West Bengal, the Incorporated Law Society of India and the Indian Council of Arbitration and is connected with various educational institutions and social organizations. He is on the board of directors of CESC since 1992 and is a member of its Finance & Forex Committee and Project Committee.

Mr. Khaitan is a Director of Dalmia Bharat Limited, Electrosteel Castings Limited, OCL India Limited, Dhunseri Petrochem & Tea Limited (also member of its Remuneration Committee), Graphite India Limited (also Chairman of its Remuneration Committee, member of Committee for Borrowings and Shareholders and Investors' Grievance Committee), India Glycols Limited and Woodlands Multispeciality Hospital Limited (also Chairman of its Share Allotment Committee).

Mr. Khaitan does not hold any share in the Company.

MS REKHA SETHI, 50 years of age is the Director General of All India Management Association (AIMA), one of the leading bodies for management in India. She started her career at the Centre for the Development of Telematics (C- dot) in 1985 and was with the Confederation of Indian Industry (CII) for 17 years before joining AIMA.

Ms. Sethi led the initiative to create high profile international events to promote India's economic interest and has raised AIMA's public profile to attract country's industry leaders and policy makers on its platform.

A graduate in English Literature, Ms. Sethi has a post graduate diploma in Advertising and Marketing.

Ms. Sethi is on the Board of Directors of Sun Pharmaceutical Industries Limited, Executive Council of the National Board of Accreditation, member of the Advisory Board of Switzerland based, St. Gallen Foundation think tank, Leaders of Tomorrow - Knowledge Pool and a member of the Indo-Netherlands Joint Working Group on Corporate Governance and Corporate Social Responsibility set up by the Government of India.

Ms. Sethi does not hold any share in the Company.

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-SIXTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 30 JULY, 2014

Item Nos. 6 to 9

Mr Pradip Kumar Khaitan and Mr Brij Mohan Khaitan have been Non - Executive Directors on the Board of Directors of the Company ('the Board') since 1992 and 1994 respectively. Mr Srikandath Narayan Menon and Mr Chandra Kumar Dhanuka are on the Board since 2011 and 2012 respectively. Mr Brij Mohan Khaitan, Mr Menon and Mr Dhanuka have also been Independent Directors in accordance with the requirement of the Stock Exchange Listing Agreement.

It is proposed to appoint the abovenamed Directors of the Company as Independent Directors in accordance with the applicable provisions of the Companies Act, 2013 ('the Act') which require every listed company to have the requisite number of independent directors on the Board.

The Company has received from the above Directors requisite consents, intimations and declarations in connection with their proposed appointments as Independent Directors. Mr Pradip Kumar Khaitan has intimated that he will meet the prescribed criteria of independence as provided in Section 149(6) of the Act with effect from 1 October 2014.

The Company has also received four separate Notices in writing from Members along with the requisite deposits of money proposing the aforesaid candidatures for the office of Directors under the provisions of Section 160 of the Act.

In the opinion of the Board, Mr Brij Mohan Khaitan, Mr Srikandath Narayan Menon and Mr Chandra Kumar Dhanuka fulfil and, with effect from 1 October 2014, Mr Pradip Kumar Khaitan shall fulfill the conditions specified in the Act and the Rules made thereunder for being appointed as Independent Directors of the Company and that they are (for Mr P K Khaitan, will be from 1 October 2014) independent of the management of the Company. The Board considers that the continued association of the above directors as Independent Directors would be of immense benefit to the Company.

The Resolutions set out under Items 6 to 9 of the Notice seek the approval of the Members for the appointments of the above directors as Independent Directors of the Company pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder.

A copy each of the draft letters of appointment of the above directors as Independent Directors of the Company setting out the terms & conditions are available for inspection by the Members at the Company's Registered Office during the normal business hours on any working day up to the date of the Annual General Meeting and will also be available at the venue of the meeting.

Mr Brij Mohan Khaitan, Mr Srikandath Narayan Menon, Mr Chandra Kumar Dhanuka and Mr Pradip Kumar Khaitan 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 Resolution.

The Board recommends the Ordinary Resolutions set out under Item Nos. 6 to 9 of the Notice for approval of the Members.

Item No. 10

Ms Rekha Sethi was appointed by the Board of Directors ('the Board') as an Additional Director of the Company with effect from 30 May 2014 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.

Ms Sethi will hold office as Additional Director up to the date of forthcoming Annual General Meeting ('AGM') as per the aforesaid provisions. The Company has received a Notice in writing from a Member along with the requisite deposit of money proposing the candidature of Ms Sethi for the office of Director under the provisions of Section 160 of the Act.

The Company has received from Ms Sethi requisite consent, intimation and a declaration in connection with her appointment as an Independent Director.

In the opinion of the Board, Ms Sethi fulfils the conditions specified in the Act and the Rules made thereunder for being appointed as an Independent Director and that she is independent of the management of the Company.

The Resolution set out under item 10 of the Notice seeks the approval of the Members for the appointment of Ms Sethi as an Independent Director of the Company for a period of five years from 30 May 2014 pursuant to Section 149 and other applicable provisions of the Act and the Rules made thereunder.

A copy of the draft letter of appointment of Ms Sethi as an Independent Director 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 AGM and will also be available at the venue of the meeting.

Ms Sethi may be deemed to be concerned or interested in the said Resolution. None of the other Directors, key managerial personnel or their relatives has any concern or interest in the said Resolution.

The Board recommends the Resolution set out under Item No. 10 of the Notice for approval of the Members.

Item No. 11

In order to finance part of its capital expenditure requirements, the Company has availed of financial assistance from HDFC Bank Limited (HDFC) – two term loans aggregating ₹ 275 crores, Punjab & Sind Bank (PSB) – three term loans aggregating ₹ 250 crore, State Bank of India (SBI) – a term loan of ₹ 350 crore, State Bank of Patiala (SBP) – a term loan of ₹ 200 crore, Standard Chartered Bank (SCB) – an external commercial borrowing of USD 4.5 crore and Union Bank of India (UBOI) – three term loans aggregating ₹ 325 crore (HDFC, PSB, SBI, SBP, SCB and UBOI are hereinafter collectively referred to as 'the said Term Lenders').

In addition, AXIS Bank Limited (ABL), Bank of Baroda (BoB), HDFC, Punjab National Bank (PNB), SBI, SCB and YES Bank Limited (YBL) have sanctioned incremental working capital facility of ₹ 15 crore, ₹ 32.6 crore, ₹ 33 crore, ₹ 50 crore, ₹ 49.89 crore, ₹ 27 crore and ₹ 180 crore respectively to the Company (ABL, BoB, HDFC, PNB, SBI,

SCB and YBL are hereinafter collectively referred to as 'the said Working Capital Bankers').

The above loans and the working capital facility, 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 and Working Capital Bankers.

The Special Resolution set out under Item No. 11 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. 12

At the Twenty third Annual General Meeting of the members of the Company held on 29 December 2001, the Board of Directors of the Company ('the Board') was authorized, in terms of the provisions of Section 293(1)(d) of the Companies Act, 1956, to borrow moneys upto a limit of ₹ 3800 crores notwithstanding that the same might exceed the aggregate of the paid up share capital and free reserves of the Company. Keeping in view the Company's future fund requirement for capital expenditure and expenditure to be incurred in the normal course of its operations and also for meeting other requirements, it is considered necessary to seek the members' approval under Section 180(1)(c) of the Companies Act, 2013 for an increased borrowing limit of ₹ 4500 crores. The Special Resolution set out under Item no 12 is intended for this purpose and the Board recommends that the Special Resolution be passed.

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

Item No. 13

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 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013 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. 13 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2015.

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

Kolkata
30 May 2014

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 2014.

In terms of the General Circular 08/2014 dated 4 April 2014, the financial statements, and the documents required to be attached thereto and the Board's report for the year under review have been prepared in accordance with the relevant provisions, schedules and rules of the Companies Act, 1956.

Financial Results

	(₹ crore)	
Particulars	2013-14	2012-13
Revenue from operations	5509.88	5303.07
Other Income	99.66	106.72
Total Income	5609.54	5409.79
Profit Before Depreciation & Taxation	1163.48	1079.71
Depreciation	(338.58)	(306.21)
Taxation	(173.00)	(155.00)
Profit before transfer to Reserves	651.89	618.50
Profit brought forward from previous year	(228.32)	(244.02)
Reserve for unforeseen exigencies	(37.63)	(31.88)
General Reserve	(500.00)	(500.00)
Proposed Dividend @ ₹ 8 per		
Equity Share & tax thereon	(116.94)	(102.32)
Leaving a balance carried forward	225.64	228.32

Performance Overview

During the year under review, the Company's revenue from operations increased by 3.9% over last year to reach ₹ 5509.88 crore. Including other income, total income grew by 3.7% from ₹ 5409.79 crore in 2012-13 to ₹ 5609.54 crore in 2013-14. Profit before depreciation and taxation (PBDT) grew by 7.8% to ₹ 1163.48 crore during the year. After providing for depreciation of ₹ 338.58 crore and taxation of ₹ 173 crore, the profit after taxes (PAT) for 2013-14 stands at ₹ 651.89 crore, which reflects a 5.4% increase over ₹ 618.50 crore during 2012-13.

A detailed review of the operations for the year ended 31 March 2014 is given in the Management Discussion & Analysis, which forms a part of this Report.

Dividend

The Board is pleased to recommend payment of equity dividend for the year ended 31 March 2014 at the rate of ₹ 8 per share on the paid-up equity share capital as on that date (₹ 7 per share in 2012-

13). 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 19 June 2014. No tax on the said dividend will be payable by the shareholders - as required, the Company will pay appropriate tax thereon.

Subsidiaries

As on 31 March 2014, CESC had twenty-nine subsidiaries. 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 general exemption granted by the Central Government, the accounts of the subsidiaries for the year 2013-14 and the related detailed information will be made available to the holding and subsidiary companies' shareholders seeking such information at any point of time and are not attached. Copies of the annual accounts of the subsidiary companies will also be kept open for inspection by any shareholder at the Registered Office of the Company and of the subsidiary companies concerned. The Company shall furnish a hard copy of accounts of subsidiaries to any shareholder on demand. The Company publishes Consolidated Financial Statements of the Company and its subsidiaries duly audited by Messrs. Lovelock & Lewes, Auditors, prepared in compliance with the applicable Accounting Standards and the Listing Agreements with the Stock Exchanges. The Consolidated Financial Statements for the year 2013-14 form a part of the Annual Report and Accounts.

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

Several projects are being pursued by various subsidiaries of the Company - thermal generation projects at Haldia in West Bengal, Chandrapur in Maharashtra and Bhagalpur in Bihar, wind power project at Gujarat and hydro-electric projects at Arunachal Pradesh.

Details on these projects have been provided in the relevant sections of the Management Discussion & Analysis, which forms a part of this report.

Directors

The Board regrets to record the sad demise of Mr. O. P. Vaish on 18 September 2013, a Director of the Company since 7 September 2011. The Board placed on record its deep appreciation for the

valuable contribution made by Mr Vaish during his tenure as a Director of the Company.

In terms of the provisions of Section 152 of the Companies Act, 2013 ('the Act') and Article 102 of the Articles of Association of the Company, Mr. S. Goenka and Mr. S. K. Pai, Directors, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

Mr. B. M. Khaitan, Mr. S. N. Menon, Mr. C. K. Dhanuka and Mr. P. K. Khaitan are Non-Executive Directors on the Board of Directors ('the Board') of the Company. With the enactment of the Act, it is now incumbent upon every listed company to have the requisite number of Independent Directors on the Board. The above Directors are being appointed as Independent Directors of the Company under the Act. The Company has received four separate Notices in writing from four Members along with requisite deposits of money proposing the aforesaid four directors to the office of Directors under the applicable provisions of the Act. Mr B. M. Khaitan, Mr S. N. Menon and Mr C. K. Dhanuka are appointed as Independent Directors for a period of 5 years from 1 April 2014 and Mr P. K. Khaitan from 1 October 2014.

Ms Rekha Sethi, who was appointed by the Board on 30 May 2014 as an Additional Director shall hold office as such up to the date of the forthcoming Annual General Meeting. The Company has received a Notice in writing from a Member along with the requisite deposit of money proposing the candidature of Ms Sethi to the office of Director under the applicable provisions of the Act. Ms Sethi is appointed as an Independent Director for a period of 5 years from 30 May 2014.

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.

The requisite disclosure regarding the re-appointment / appointment of the above Directors has been made in the Report of Corporate Governance which forms a part of the Directors' Report.

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 2014 -15. During the year under review, equity shares of the Company have since been delisted from the London Stock Exchange.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the erstwhile Companies Act, 1956,

your Directors hereby state and confirm that :

- i) in the preparation of annual accounts for the financial year ended 31 March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and of the profit for the period from 1 April 2013 to 31 March 2014;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts for the financial year ended 31 March 2014 have been prepared on a going concern basis.

Corporate Governance

A report on Management Discussion and Analysis is also 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 with the Stock Exchanges, are annexed as a part of this Report along with the Auditor's Certificate.

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. 17 deposits aggregating ₹ 0.03 crore remained unclaimed as on 31 March 2014.

Auditors

Messrs. Lovelock & Lewes, Chartered Accountants, Statutory Auditors of the Company hold office till the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from the Statutory Auditors to the effect that their reappointment, if made at the forthcoming Annual General Meeting, would be within the limits prescribed under Section 141(3)(g) of the Act.

Cost Audit

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