

Board of Directors

Sanjiv Goenka, *Chairman*
 Pradip Kumar Khaitan
 Brij Mohan Khaitan
 Chandra Kumar Dhanuka
 Rekha Sethi
 Kalaikuruchi Jairaj
 Pratip Chaudhuri
 Aniruddha Basu, *Managing Director*

Company Secretary

Subhasis Mitra

Auditors

Lovelock & Lewes

Solicitors

Khaitan & Co.
 Sandersons & Morgans

Registered Office

CESC House
 Chowringhee Square
 Kolkata 700 001
 Tel : 033-2225 6040
 Fax : 033-2225 5155
 Corporate Identity Number : L31901WB1978PLC031411
 E-mail : secretarial@rp-sg.in
 Website : www.cesc.co.in

Bankers

Allahabad Bank
 Andhra Bank
 Axis Bank Limited
 Bank of Baroda
 Bank of India
 HDFC Bank Limited
 ICICI Bank Limited
 IDBI Bank Limited
 Indian Overseas Bank
 Punjab National Bank
 Standard Chartered Bank
 State Bank of India
 The Royal Bank of Scotland N.V.
 UCO Bank
 Union Bank of India
 United Bank of India
 YES Bank Limited

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Dear Shareholder,

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

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

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

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

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

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

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

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

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

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

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

The financial results have been satisfactory.

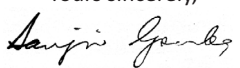
- Total income of CESC as a standalone entity increased by 12% to ₹ 6,274 crore in 2014-15.
- Despite a 14% increase in overall operating expenses - mainly due to higher power purchase costs - your Company's earnings before interest, depreciation and taxes (EBIDTA) grew by 7% over last year to ₹ 1,634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

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

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

My thanks to you for your long and continued support.

With best regards,

Yours sincerely,


Sanjiv Goenka
Chairman

21 May, 2015

CESC Limited

Registered Office :

CESC House, Chowringhee Square, Kolkata - 700 001

Tel : 033-2225 6040, Fax : 033-2225 5155

E-mail : secretarial@rp-sg.in; Website : www.cesc.co.in

Corporate Identity Number : L31901WB1978PLC031411

NOTICE TO THE MEMBERS

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

1. To receive, consider and adopt the audited financial statements for the year ended 31 March 2015, and the audited consolidated financial statements for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Aniruddha Basu (Director Identification Number 06593527) who retires by rotation and, being eligible, offers himself for reappointment.
4. To ratify the appointment of Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass, the following Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the re-appointment of the Auditors, Messrs. Lovelock & Lewes (Firm Registration Number 301056E), to hold office from the conclusion of the Thirty-sixth Annual General Meeting (AGM) till the conclusion of the Thirty-ninth AGM of the Company be and is hereby ratified and the said Auditors be paid such remuneration as may be decided by the Audit Committee of the Board of Directors of the Company".

SPECIAL BUSINESS

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

5. AS AN ORDINARY RESOLUTION

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

6. AS AN ORDINARY RESOLUTION

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

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

7. AS A SPECIAL RESOLUTION

"RESOLVED THAT in terms of the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 consent of the Company be and is hereby accorded to the Board of Directors ("the Board") to mortgage, charge and/or otherwise encumber all or any of the properties of the Company, whether immovable or movable and whether present or future and wheresoever the same may be situate, in favour of :-

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

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

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

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

FURTHER RESOLVED THAT the Board be and is hereby authorized to finalise and execute with all or any of the Term Lenders, Working Capital Bankers and in respect of the aforesaid Performance and Financial Guarantee all such deeds and documents for creating the mortgage, charge and/or encumbrance and to do all such acts, deeds and things as may be deemed necessary by the Board for giving effect to the aforesaid Resolution."

8. AS AN ORDINARY RESOLUTION

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

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

9. AS AN ORDINARY RESOLUTION

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

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

10. AS AN ORDINARY RESOLUTION

"RESOLVED THAT the remuneration of ₹ 5,50,000 of M/s. Shome & Banerjee, Cost Accountants, as Cost Auditors of the Company for the financial year ending 31 March 2016, recommended by the Audit Committee of the Board of Directors ('the Board') and approved by the Board, be and is hereby ratified.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution".

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

By Order of the Board

Kolkata, 21 May 2015

Subhasis Mitra
Company Secretary

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the time for holding the Meeting.

A person can act as Proxy on behalf of not exceeding fifty members and holding in the aggregate not more than ten percent of the total paid-up share capital of the Company. A member holding more than ten percent of the paid-up share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business under items 5 to 10 of the Notice is annexed hereto.
3. If dividend as recommended by the Board of Directors is declared at the Meeting, it will be payable from 4 August 2015 to those shareholders whose names appear on the Company's Register of Members, or, who are notified as beneficiaries by the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited at the close of business on 23 July 2015.
4. Members holding shares in physical form may inform the Company of necessary particulars (including the 9 digit MICR code number) for NECS credit of the dividend directly to their

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

5. The Company proposes to send to the Members notices, annual report and accounts and other communication through electronic mode. Members are, therefore, requested to update their e-mail address with the Depository Participant if the holding is in electronic mode or intimate to the Company by sending an e-mail at secretarial@rp-sg.in. 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 or paid within 7 years will be transferred to the Investor Education & Protection Fund (IEPF). As members concerned have already been intimated by the Company, all unpaid / unclaimed dividend for the year ended 31 March 2008 will be transferred to IEPF on or before 30 August 2015. All equity shares of the Company in respect of which dividend has not been paid or claimed for seven consecutive years or more are also required to be transferred by the Company to IEPF. Claims for payment of such dividend should, therefore, be lodged with the Company immediately.
7. Voting through electronic means :
 1. (A) The Company will provide to its members the facility to vote on the resolutions proposed to be considered at the Thirty-seventh Annual General Meeting (AGM) by electronic means and the business may be transacted through such voting with services provided by National Securities Depository Limited (NSDL).
 - (B) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the AGM and the members attending the Meeting who have not already cast their vote from a place other than the venue of the AGM by using the said electronic voting system (such voting hereinafter referred to as "remote e-voting") shall be able to exercise their voting right at the Meeting.
 - (C) The members who have cast their vote by remote e-voting prior to the Meeting may also attend the

Meeting but shall not be entitled to cast their vote again.

2. The process and manner for remote e-voting are as under:

- A. In case a member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company / Depository Participant(s)] :
 - i) Open e-mail and open PDF file viz., "CESC e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and password / PIN for e-voting. Please note that the password is an initial password.
 - ii) Launch Internet Browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - iii) Click on Shareholder - Login
 - iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential.
 - vi) Home page of e-voting opens. Click on e-voting Cycles.
 - vii) Select "EVEN" of CESC Limited.
 - viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evotingam@gmail.com 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 e-mail IDs are not registered with the Company / Depository Participant(s) or those requesting for physical copy]:

- i) Initial password is provided as below / at the bottom of the Attendance Slip for the AGM :
 EVEN (E Voting Event Number) USER ID
 PASSWORD / PIN
- ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to caste vote.
 - I. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
 The Compliance Officer of the Company shall address investors' grievances relating to voting by electronic means and may be contacted at secretarial@rp-sg.in or at the Registered Office of the Company.
 - II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password / PIN for casting your vote.
 - III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending the future communication(s).
 - IV. The remote e-voting period commences on 28 July 2015 (at 9.00 am) and ends on 30 July 2015 (at 5.00 pm). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24 July 2015, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Shareholder, the shareholders shall not be allowed to change it subsequently or cast his vote again.
 - V. The voting rights of shareholders shall be in proportion to their shares on the paid up equity share capital of the Company as on the cut-off date of 24 July 2015.
 - VI. Mr. Anil Murarka, Practicising Company Secretary (Membership no. FCS 3150) has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
 - VII. The Scrutinizer shall, immediately after conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in employment of the Company

and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

- VIII. The Results shall be declared forthwith upon receipt of the Scrutinizer's Report. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cesc.co.in and on the website of NSDL immediately after their declaration by the Chairman and communicated to the Stock Exchanges where the shares of the Company are listed.

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

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

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

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

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

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

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

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

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

Item Nos. 5 and 6

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

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

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

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

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

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

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

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

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

Item No. 7

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

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

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

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

The Special Resolution set out under Item No. 7 of the Notice is for obtaining the approval of the Members in terms of the provisions of Section 180(1)(a) of the Companies Act, 2013 to enable the Company to create the aforesaid mortgage and / or charge.

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

The Board of Directors of the Company recommends that the Resolution be passed.

Item No. 8

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

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

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

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

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

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

Item No. 9

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

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

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

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

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

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

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

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

Item No. 10

The Board of Directors of the Company, on the recommendation of its Audit Committee, has approved the appointment and remuneration of M/s Shome & Banerjee, Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31 March 2016.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out under Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2016.

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

The Board recommends that the Resolution be passed.

By Order of the Board

Subhasis Mitra
Kolkata, 21 May 2015

Subhasis Mitra
Company Secretary

Directors' Report

The Directors have pleasure in presenting the Annual Report and Audited Accounts of CESC Limited for the year ended 31 March 2015.

Financial Results

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

Performance Overview

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

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

Share Capital

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

Dividend

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

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

Coal Block Allocation

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

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

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

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

Subsidiaries

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

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