

CESC Limited

**MINUTES OF THE PROCEEDINGS OF THE THIRTY-SEVENTH ANNUAL
GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD AT CITY
CENTRE, ROYAL BENGAL ROOM, DC BLOCK, SECTOR I, SALT LAKE,
KOLKATA – 700 064 ON FRIDAY, 31 JULY, 2015 AT 10.30 A.M.
(CONCLUDED AT 11.30 A.M)**

PRESENT

Mr. S. Goenka	Chairman & Member
Mr. P. K. Khaitan	Director
Mr. C.K. Dhanuka	Director (also Chairman of the Audit Committee)
Ms. R. Sethi	Director
Mr. K. Jairaj	Director
Mr. P. Chaudhuri	Director
Mr. A. Basu	Managing Director & Member
Mr. S. Mitra	Company Secretary & Member

and 488 members present in person, 9 members represented by their authorized representatives and 104 members holding 34,66,283 equity shares Rs 10/- each represented by their proxies.

Representatives of the Auditors and the Secretarial Auditors were also present in the meeting.

1. CHAIRMAN

Mr. S. Goenka, Chairman of the Board, was in the Chair in accordance with Article 72 of the Articles of Association of the Company. It was noted that Mr. Goenka was also the Chairman of the Stakeholders' Relationship Committee.

2. QUORUM

Necessary quorum being present, the Chairman declared the Meeting open and welcomed the members.



3. **REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL, STATUTORY AUDIT REPORT AND SECRETARIAL AUDIT REPORT**

(i) The Register of Directors and Key Managerial Personnel of the Company maintained pursuant to Section 170 of the Companies Act, 2013, and (ii) Report of the Statutory Auditors and the Secretarial Auditors, copies whereof were part of the Annual Report for the year 2014-15 remained open and accessible for inspection during the continuance of the Meeting.

4. **NOTICE**

The Notice convening the Meeting was taken as read with the consent of the Members present.

5. **AUDITORS' AND SECRETARIAL AUDITORS' REPORT**

Members noted that the Auditors' Report on the Accounts of the Company for the year 2014-15 and Secretarial Auditors' Report for the year ended 31 March, 2015 did not have any qualification, observation or comments.

6. **E-VOTING**

The Chairman informed the members that in accordance with the provisions of the Companies Act, 2013 and the Rules framed thereunder, the Company had provided to its members the facility of remote e-voting in order to enable them to exercise their right to vote by electronic means through e-voting service provided by National Securities Depository Limited (NSDL). Arrangements had also been made for voting by electronic means during the Meeting for those members who had not already cast their votes through the remote e-voting process.

Mr. Anil Murarka, Practicing Company Secretary (Membership No. FCS 3150), had been appointed as the Scrutinizer to scrutinize the votes cast through the remote e-voting and voting by electronic means at the Meeting venue.

The Chairman also mentioned that the combined voting results would be declared on 3 August, 2015 at 11 AM and the said results along with the Scrutinizer's Consolidated report would be placed on the notice board at the Company's registered Office, on its website and on the website of NSDL.

7. **CHAIRMAN'S OPENING REMARKS**

The Chairman then addressed the members and, inter-alia, made the following remarks:

- after the allocation of Sarisatoli Coal Block was cancelled by the Hon'ble Supreme Court of India alongwith all similar allocations in the wake of a public interest litigation, the Company had put in its bid in the public auction of Sarisatoli Coal Block that had been catering to almost 50% of its coal requirements. CESC had since won back the same Coal Block in the auction and there had been no interruption in the supply of coal to the Company's generating stations,
- both the 300 MW units of Haldia Energy Limited, the Company's wholly owned subsidiary, were operating at full capacity and CESC was getting in its system the entire Haldia power,
- all efforts were being made to expedite the process of fully operationalizing the 2x300 MW Chandrapur Plant of Dhariwal Infrastructure Limited, another CESC subsidiary,
- CESC was striving for achieving further excellence in generation and distribution and every division of the Company was vigorously pursuing plans for further improvement in operation,
- over the years, CESC's customer service had been improving steadily. The Company would continue to focus on customer service so that CESC was a preferred utility in its area of operation,
- a special initiative was being taken by the Company for green initiatives like Mobile payments and e-payment of the electric bills,
- providing new supply connections immediately after applications for such connections had become a reality,
- CESC's focus was to first consolidate and then explore sensible growth. The immediate focus would be on growth in renewable energy – in particular, wind and solar power,
- Spencer's Retail Limited's performance was encouraging and it was expected to break even in the near future, if the present trend continued, and
- CESC's June, 2015 quarterly results were on expected lines.

8. ACCOUNTS FOR 2014-15

The Chairman then referred to Item No. 1 of the Notice convening the Meeting and requested the Members present to share their views and offer comments on the working of the Company. Thereafter, Mr. Arun Bose, Mr Tarak Nath Chakraborty, Mr. Gopal Nandan, Mr. Mrinal Kanti Das and Mr. A K Singh spoke. Their queries / comments mainly related to:

- working results of the Company;
- fresh acquisition of Sarisatoli coal block and any strategy for acquiring more coal blocks;
- investor services;
- plant load factor at CESC's generating stations;
- improved consumer service ;
- satisfactory power position in the Company's licensed area;

- performance of subsidiaries like Firstsource and Spencer's Retail;
- long term PPA for Dhariwal Infrastructure Limited, another CESC subsidiary;
- request for share split, or, bonus / rights issue;
- status of various projects;
- operating loss of certain subsidiaries, and
- CESC share prices;

The Chairman replied to the queries / comments suitably.

The Chairman then proposed the following Resolution as an Ordinary Resolution:

"RESOLVED THAT 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 Reports of the Board of Directors and the Auditors as laid before the Company at this Meeting be and are hereby received and adopted."

The Resolution was seconded by Mr. B. N. Kundu.

It was noted that the voting results in respect of the said Resolution would be declared on Monday, 3 August, 2015 at 11 A.M at CESC House, Chowringhee Square, Kolkata-700 001 and also posted at the Company's website www.cesc.co.in.

9. **DECLARATION OF DIVIDEND**

The Chairman then referred to Item No. 2 of the Notice in respect of declaration of Dividend as recommended by the Board of Directors.

Mr. Prabir Kumar Mitra proposed the following Resolution as an Ordinary Resolution:

"RESOLVED THAT, in accordance with the recommendation of the Board of Directors, a dividend @ 90% or Rs 9 per share for the year ended 31 March 2015 be and is hereby declared on the Equity Share Capital of the Company for payment to those members whose names appear on the 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."

The Resolution was seconded by Mr. Ashis Majumder.

It was noted that the voting results in respect of the said Resolution would be declared on Monday, 3 August, 2015 at 11 A.M at CESC House, Chowringhee Square, Kolkata-700 001 and also posted at the Company's website www.cesc.co.in.

10. **REAPPOINTMENT OF MR. ANIRUDDHA BASU AS A DIRECTOR**

The Chairman then referred to Item No. 3 of the Notice in respect of retirement by rotation of Mr. Aniruddha Basu as a Director of the Company and that Mr. Basu had offered himself for reappointment.

He then proposed the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Aniruddha Basu (DIN 06593527), who retires by rotation at this meeting, be and is hereby reappointed a Director of the Company."

The Resolution was seconded by Mr. Sudip Kumar Ghosh.

It was noted that the voting results in respect of the said Resolution would be declared on Monday, 3 August, 2015 at 11 A.M at CESC House, Chowringhee Square, Kolkata-700 001 and also posted at the Company's website www.cesc.co.in.

11. **RATIFICATION OF AUDITORS' RE-APPOINTMENT**

The Chairman then referred to Item No. 4 of the Notice in respect of ratification of the re-appointment of Messrs. Lovelock and Lewes, Chartered Accountants, as Auditors of the Company.

Mr. Mrinal Kanti Das proposed the following Resolution as an 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 No 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."

The Resolution was seconded by Mr. J. N. Kundu.

It was noted that the voting results in respect of the said Resolution would be declared on Monday, 3 August, 2015 at 11 A.M at CESC House, Chowringhee Square, Kolkata-700 001 and also posted at the Company's website www.cesc.co.in.

12. **APPOINTMENT OF MR. K. JAIRAJ AS AN INDEPENDENT DIRECTOR**

The Chairman referred to the Resolution in Item No. 5 of the Notice in respect of the appointment of Mr. K. Jairaj, as an Independent Director of the Company.

Mr. Sudip Kumar Ghosh proposed the following Resolution 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."

The Resolution was seconded by Mr. Arun Bose.

It was noted that the voting results in respect of the said Resolution would be declared on Monday, 3 August, 2015 at 11 A.M at CESC House, Chowringhee Square, Kolkata-700 001 and also posted at the Company's website www.cesc.co.in.

13. **APPOINTMENT OF MR. P. CHAUDHURI AS AN INDEPENDENT DIRECTOR**

The Chairman referred to the Resolution in Item No. 6 of the Notice in respect of the appointment of the Mr. P. Chaudhuri as an Independent Director of the Company.

He then proposed the following Resolution 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."

Mr. G. Nandan seconded the Resolution.

It was noted that the voting results in respect of the said Resolution would be declared on Monday, 3 August, 2015 at 11 A.M at CESC House, Chowringhee Square, Kolkata-700 001 and also posted at the Company's website www.cesc.co.in.

14. CREATION OF SECURITY

The Chairman referred to the Resolution in Item No. 7 of the Notice in respect of creation of security for financial assistance in favour of the Company's lenders.

Mr. Sudip Kumar Ghosh proposed the following Resolution 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 (UBI) 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 UBI (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 ₹ 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."

The Resolution was seconded by Mr. Tarak Nath Chakrobarty.

It was noted that the voting results in respect of the said Resolution would be declared on Monday, 3 August, 2015 at 11 A.M at CESC House, Chowringhee Square, Kolkata-700 001 and also posted at the Company's website www.cesc.co.in.

15. **COMMISSION TO NON-EXECUTIVE DIRECTORS**

The Chairman referred to the resolution in Item No.8 of the Notice in respect of payment of commission to Non-Executive Directors.

Mr. Prabir Kumar Mitra proposed the following Resolution 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."

The Resolution was seconded by Mr. Sayak Chatterjee.

It was noted that the voting results in respect of the said Resolution would be declared on Monday, 3 August, 2015 at 11 A.M at CESC House, Chowringhee

Square, Kolkata-700 001 and also posted at the Company's website www.cesc.co.in.

16. **CHANGE IN TERMS OF THE APPOINTMENT OF MANAGING DIRECTOR**

The Chairman referred to the resolution in Item No.9 of the Notice in respect of change in terms of the appointment of Managing Director.

Mr. Sudip Kumar Ghosh proposed the following Resolution 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".

The Resolution was seconded by Mr. B. N. Kundu.

It was noted that the voting results in respect of the said Resolution would be declared on Monday, 3 August, 2015 at 11 A.M at CESC House, Chowringhee Square, Kolkata-700 001 and also posted at the Company's website www.cesc.co.in.

17. **RATIFICATION OF THE REMUNERATION OF COST AUDITORS**

The Chairman referred to the resolution in Item No.10 of the Notice in respect of the remuneration of Cost Auditors of the Company

Mr. Prabir Kumar Mitra proposed the following Resolution 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 31st 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 Resolution was seconded by Mr. J. N. Kundu.

It was noted that the voting results in respect of the said Resolution would be declared on Monday, 3 August, 2015 at 11 A.M at CESC House, Chowringhee Square, Kolkata-700 001 and also posted at the Company's website www.cesc.co.in.

The Chairman thanked the Members present for attending the meeting.

DECLARATION OF RESULTS

On the basis of the Consolidated Report submitted by the Scrutinizer to the Chairman, the results of voting through electronic means (through remote e-voting and electronic voting at the Annual General Meeting) declared by the Chairman on Monday, 3 August, 2015 at 11 A.M. were as follows:

ITEM NO. 1: ORDINARY RESOLUTION - (Adoption of Financial Statements for the year 2014-15)

Votes in Favour of the Resolution		Votes Against the Resolution		Invalid Votes	Remarks
Nos.	% of total number of valid votes	Nos.	% of total number of valid votes	Nos.	
97363906	88.2332	12984416	11.7668	NIL	Passed

ITEM NO. 2: ORDINARY RESOLUTION – (Declaration of Dividend)

Votes in Favour of the Resolution		Votes Against the Resolution		Invalid Votes	Remarks
Nos.	% of total number of valid votes	Nos.	% of total number of valid votes	Nos.	
112887028	99.9999	152	0.0001	NIL	Passed

ITEM NO. 3: ORDINARY RESOLUTION – (Re-appointment of Mr. Aniruddha Basu as a Director of the Company)

Votes in Favour of the Resolution		Votes Against the Resolution		Invalid Votes	Remarks
Nos.	% of total number of valid votes	Nos.	% of total number of valid votes	Nos.	
112886942	99.9998	178	0.0002	NIL	Passed

ITEM NO. 4: ORDINARY RESOLUTION: (Ratification of the appointment of Lovelock & Lewes as the Statutory Auditors)

Votes in Favour of the Resolution		Votes Against the Resolution		Invalid Votes	Remarks
Nos.	% of total number of valid votes	Nos.	% of total number of valid votes	Nos.	
93581018	84.8093	16761818	15.1907	NIL	Passed

ITEM NO. 5: ORDINARY RESOLUTION – (Appointment of Mr. K Jairaj as an independent Director of the Company)

Votes in Favour of the Resolution		Votes Against the Resolution		Invalid Votes	Remarks
Nos.	% of total number of valid votes	Nos.	% of total number of valid votes	Nos.	
112846391	99.9996	456	0.0004	NIL	Passed

ITEM NO. 6: ORDINARY RESOLUTION – (Appointment of Mr. P Chaudhuri as an Independent Director of the Company)

Votes in Favour of the Resolution		Votes Against the Resolution		Invalid Votes	Remarks
Nos.	% of total number of valid votes	Nos.	% of total number of valid votes	Nos.	
112886387	99.9996	456	0.0004	NIL	Passed

ITEM NO. 7: SPECIAL RESOLUTION – (Approval for creation of Security under Section 180(1)(a) of the Companies Act, 2013)

Votes in Favour of the Resolution		Votes Against the Resolution		Invalid Votes	Remarks
Nos.	% of total number of valid votes	Nos.	% of total number of valid votes	Nos.	
112630297	99.7726	256723	0.2274	NIL	Passed

ITEM NO. 8: ORDINARY RESOLUTION – (Payment of Commission to Non-Executive Directors)

Votes in Favour of the Resolution		Votes Against the Resolution		Invalid Votes	Remarks
Nos.	% of total number of valid votes	Nos.	% of total number of valid votes	Nos.	
97973020	86.7999	4899231	13.2001	NIL	Passed

ITEM NO. 9: ORDINARY RESOLUTION – (Increase in the remuneration payable to Mr.A.Basu, Managing Director)

Votes in Favour of the Resolution		Votes Against the Resolution		Invalid Votes	Remarks
Nos.	% of total number of valid votes	Nos.	% of total number of valid votes	Nos.	
112873277	99.9878	13742	0.0122	NIL	Passed

ITEM NO. 10: ORDINARY RESOLUTION – (Ratification of the remuneration of Shome & Banerjee, Cost Auditors of the Company)

Votes in Favour of the Resolution		Votes Against the Resolution		Invalid Votes	Remarks
Nos.	% of total number of valid votes	Nos.	% of total number of valid votes	Nos.	
112791883	99.9157	95137	0.0843	NIL	Passed

The aforesaid voting results were put up on the Company's website and also displayed on the Notice Board of the Company at its Registered Office.


CHAIRMAN
