

# Report on Corporate Governance (Annexure 'B' to Directors' Report)



## The Company's Philosophy on Corporate Governance

CESC Limited ('CESC' or 'the Company') is a consumer-oriented power utility, committed to continuously upgrade its operation and performance to enhance stakeholders' satisfaction. Such commitment is embedded in its good corporate governance practices, which are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in its decision-making process. The Company believes that its corporate responsibilities should be adequately articulated to ensure strategic guidance, effective monitoring and accountability to accomplish targeted performance, enhance satisfaction of consumers and other stakeholders and establish fairness in dealings.

For listed companies in India, corporate governance standards are regulated through the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015 ("Listing Regulations"). This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports the status of compliance of corporate governance norms of the Listing Regulations by CESC for the year ended 31 March 2018.

## BOARD OF DIRECTORS

### COMPOSITION AND ATTENDANCE

As on 31 March 2018, CESC's Board of Directors ('the Board') consisted of eight Directors, of whom six were Independent Directors, including a woman Director. Managing Director was the only executive director of the Company. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and the Listing Regulations.

Composition of the Board and attendance record of the Directors are detailed in Table 1 below. None of the Directors is a member of more than ten Board-level Committees of public companies in which they are Directors or is a Chairman of more than five such Committees.

**Table 1 : Composition of the Board of Directors as on 31 March 2018**

Name of the Directors	Category	No. of other Directorships and Committee membership / Chairmanships in other Indian public companies			Attendance Particulars		
		Director <sup>1</sup>	Member <sup>2</sup>	Chairman <sup>2</sup>	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last AGM
Mr. S. Goenka	Promoter, Non-Executive	6	–	1	5	5	Yes
Mr. P. K. Khaitan	Independent	9	4	2	5	4	No
Mr. B. M. Khaitan	Independent	5	–	–	5	3	No
Mr. C. K. Dhanuka	Independent	8	8	1	5	3	Yes
Ms. R. Sethi	Independent	4	2	1	5	5	Yes
Mr. K. Jairaj	Independent	4	2	–	5	5	Yes
Mr. P. Chaudhuri	Independent	9	3	4	5	4	Yes
Mr. A. Basu	Executive	4	–	–	5	5	Yes

#### Notes :

1. Directorships held by Directors as mentioned in Table 1 do not include alternate directorships, directorships of foreign companies, Section 8 companies, one person companies and private limited companies.
2. Memberships / Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of public limited companies have been considered.
3. None of the Directors are related to each other.
4. The details of the familiarisation programme for Independent Directors is disclosed on the Company's website at [https://www.cesc.co.in/wp-content/uploads/policies/FAMILIARIZATION\\_ID\\_CESC\\_LIMITED.pdf](https://www.cesc.co.in/wp-content/uploads/policies/FAMILIARIZATION_ID_CESC_LIMITED.pdf)
5. The independent Directors have confirmed that they meet the criteria of independence u/s 149(6) of the Act and the Listing Regulations.

Since the close of the year, Mr. A. Basu ceased to be a Director of the Company on expiry of his term as the Company's Managing Director w.e.f. 28 May 2018. On and from the said date, the Board of Directors, subject to necessary approval of the shareholders in general meeting, has appointed Mr. Rabi Chowdhury and Mr. Debasish Banerjee as Additional Directors of the Company with the designation of Managing

Director (Generation) and Managing Director (Distribution) respectively each for a period of 5 years from 28 May 2018. Further, Mr. B.M. Khaitan tendered resignation as a director of the Company w.e.f. 23 May 2018 due to his advanced age and failing health. Thus, as on date, five out of eight directors on the Company's Board are independent and the composition continues to be in compliance with the Act and the Listing Regulations.

#### **BOARD MEETINGS**

In 2017-18, the Board met five times on 18 May 2017, 28 July 2017, 11 August 2017, 8 November 2017 and 8 February 2018. The maximum gap between any two Board meetings was less than one hundred and twenty days.

#### **MEETINGS OF INDEPENDENT DIRECTORS**

During 2017-18, Independent Directors met on 8 November 2017 in order to, inter alia, review the performance of non-independent directors including that of the Chairman; assess the effectiveness of flow of information between the company management and the Board and other related matters. All the Independent Directors except Mr. C.K. Dhanuka attended the meeting.

#### **INFORMATION PLACED BEFORE THE BOARD**

Along with the agenda papers, the Directors are presented with detailed notes including necessary information as required under the statute and in line with the guidelines on Corporate Governance. These papers are circulated to the Directors well in advance so that they can come prepared at the meetings. The Board periodically reviews compliance reports prepared by the Company regarding all laws applicable to the Company. There has not been any instance of any non-compliance.

Important operational matters are brought to the notice of the Board at its meetings and various divisional heads in charge of the Company's operations attend the Board Meetings to provide inputs and explain any queries pertaining to their respective areas of operation to enable the Board to take informed decisions.

#### **CODE OF CONDUCT**

The Code of Business Conduct and Ethics ('the Code') relating to matters concerning Board members and Senior Management Personnel and their duties and responsibilities have been meticulously followed. All Directors and Senior Management Personnel have affirmed compliance of the provisions of the Code during 2017-18 and a declaration from the Managing Director to that effect is given at the end of this report. The Code is posted on the Company's website [www.cesc.co.in](http://www.cesc.co.in).

#### **COMMITTEES OF THE BOARD**

The Board currently has five committees namely :

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination & Remuneration Committee
4. Corporate Social Responsibility Committee and
5. Risk Management Committee

The terms of reference of the Board Committees are governed by relevant legislations and/or determined by the Board from time to time.

##### **1. AUDIT COMMITTEE**

###### **(i) Composition :**

As on 31 March 2018, Audit Committee consisted of Mr. S. Goenka, Mr. B.M. Khaitan and Mr. C.K. Dhanuka, being the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise.

However, on 23 May 2018, the Committee was reconstituted with Mr. P.K. Khaitan as its Member in place of Mr. B. M. Khaitan who ceased to be a Director of the Company with effect from the aforesaid date.

###### **(ii) Meetings :**

The Committee met six times during the year on 15 May 2017, 18 May 2017, 11 August 2017, 22 September 2017, 6 November 2017 and 8 February 2018. The attendance record of the Members at the Meeting is given below in Table 2.

**Table 2 : Attendance Record of Audit Committee**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. S. Goenka	Member	Non-Executive	6	6
Mr. B. M. Khaitan	Member	Independent	6	6
Mr. C. K. Dhanuka	Chairman	Independent	6	6

The chief of finance and representatives of the statutory auditors, cost auditors and internal auditors are invited by the Audit Committee to its meetings. The auditors are heard in the meetings of the Audit Committee when it considers the financial results of the Company and auditors' views thereon. The Company Secretary is the secretary to the Committee.

The Chairman of the Audit Committee attended the Annual General Meeting held on 28 July 2017.

**(iii) Terms of reference**

The functions of the Audit Committee of the Company include the following :

- A. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- C. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- D. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Act.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgement by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report, if any.
- E. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- F. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- G. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- H. Discussion with internal auditors any significant findings and follow up thereon.
- I. Investigating into any matter in relation to the items specified in the terms of reference and reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- J. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- K. Reviewing the Company's risk management policies.
- L. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

- M. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- N. Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- O. Obtain professional advice from external sources to carry on any investigation and have full access to information contained in the records of the Company.
- P. Discuss any related issues with the internal and statutory auditors and the management of the Company.
- Q. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- R. Approve subsequent modification of transactions of the Company with related parties.
- S. Scrutinize the inter-corporate loans and investments and evaluate internal financial controls and risk management systems.
- T. Oversee the vigil mechanism / whistle blower policy of the Company.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews :

- I. Management discussion and analysis of financial position and results of operations.
- II. Statement of significant related party transactions, Management letters/letters of internal control weaknesses issued by the statutory auditors.
- III. Internal audit reports relating to internal control weaknesses.
- IV. The appointment, removal and terms of remuneration of the chief of internal audit function.
- V. Whenever applicable, monitoring end use of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results.

In addition, Audit Committee of the Board is also empowered to review the financial statements, in particular, investments made by the unlisted subsidiary companies, in view of the requirements under Regulation 24 of the Listing Regulations.

## 2. STAKEHOLDERS' RELATIONSHIP COMMITTEE

### (i) Composition :

As on 31 March 2018, the Stakeholders Relationship Committee consisted of Mr. S. Goenka, the Chairman of the Committee and Mr A. Basu.

However, with effect from 28 May 2018, the Committee was reconstituted with Mr. R. Chowdhury as a member in place of Mr. A. Basu who ceased to be a Director of the Company, on expiry of his term of office as Managing Director, with effect from the aforesaid date.

### (ii) Meetings :

During the financial year, the Committee met five times on 18 May 2017, 11 August 2017, 8 November 2017, 27 December 2017 and 8 February 2018. Table 3 below reports the attendance record of the Members at the Meeting.

**Table 3 : Attendance Record of Stakeholders Relationship Committee**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. S. Goenka	Chairman	Non-Executive	5	5
Mr. A. Basu	Member	Executive	5	5

Details of the number and nature of complaints received and redressed during the financial year 2017-18 are given in the section titled "Additional Shareholder Information".

### (iii) Terms of reference :

The terms of reference of the Stakeholders Relationship Committee include looking into the redressal of grievances of shareholders and dealing with transfer and transmission of shares, non receipt of annual report, non receipt of declared dividends, issue of duplicate share certificates and new certificates against requests for split/consolidation/renewal of share certificates.

For expediting the above processes, the Board has delegated necessary power to the Company Secretary who is also the Compliance Officer.

### 3. NOMINATION & REMUNERATION COMMITTEE

#### (i) Composition :

The Nomination & Remuneration Committee comprises of three Independent Directors namely Mr. P.K. Khaitan, Chairman, Mr. C. K. Dhanuka and Mr. B.M. Khaitan, as members of the Committee.

However, with effect from 23 May 2018, the Committee was reconstituted with Mr. S. Goenka becoming a Member of the Committee in place of Mr. B.M. Khaitan who ceased to be a Director of the Company with effect from the aforesaid date.

#### (ii) Meetings :

The Committee met twice on 18 May 2017 and 27 July 2017 to discuss the overall performance of the Directors. Table 4 below records the attendance record of the Members at the Meeting.

**Table 4 : Attendance Record of Nomination and Remuneration Committee**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. P. K. Khaitan	Chairman	Independent	2	1
Mr. C. K. Dhanuka	Member	Independent	2	2
Mr. B. M. Khaitan	Member	Independent	2	2

#### (iii) Remuneration Policy :

In accordance with the recommendation of the Committee, the Company has since formulated a Remuneration Policy for directors, key managerial personnel and other employees of the Company. The Committee is also responsible for recommending the fixation and periodic revision of remuneration of the Managing Director.

#### (iv) Terms of Reference :

The role of the Nomination & Remuneration Committee includes:

- A. To identify persons qualified to become directors or hold senior management positions and advise the Board for such appointments/removals, where necessary;
- B. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees;
- C. To evaluate the performance of every director, key managerial personnel and other employees;
- D. To devise a policy on Board diversity.
- E. To ascertain whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### (v) Performance Evaluation Criteria :

The performance evaluation criteria for Non-Executive including Independent Directors laid down by the Committee and taken on record by the Board includes :

- Attendance and participation in the Meetings
- Preparedness for the Meetings
- Understanding of the Company and the external environment in which it operates and contributes to strategic direction
- Raising of valid concerns to the Board and constructive contribution to issues and active participation at meetings
- Engaging with and challenging the management team without being confrontational or obstructionist.

### 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

#### (i) Composition :

As on 31 March 2018, the Corporate Social Responsibility Committee consisted of Mr. S. Goenka, Chairman of the Committee, Mr. B.M. Khaitan and Mr A. Basu.

However, with effect from 28 May 2018, the Committee was reconstituted with Mr. C.K. Dhanuka and Mr. R. Chowdhury as its Members in place of Mr. B.M. Khaitan and Mr. A. Basu who ceased to be the Company's Directors as aforesaid.

**(ii) Meetings :**

During the financial year, the Committee met on 18 May 2017. Table 5 below gives the attendance record of the Members at the Meeting.

**Table 5 : Attendance Record of Corporate Social Responsibility Committee**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. S. Goenka	Chairman	Non- Executive	1	1
Mr. B. M. Khaitan	Member	Independent	1	-
Mr. A. Basu	Member	Executive	1	1

**(iii) Terms of reference :**

The terms of reference of the Corporate Social Responsibility Committee are as follows:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the CSR activities to be undertaken by the Company;
2. Monitor the Corporate Social Responsibility Policy of the Company from time to time.
3. Discharge such other responsibilities as required under the Act and the Rules made thereunder.

**5. RISK MANAGEMENT COMMITTEE**

**(i) Composition :**

As on 31 March 2018, the Risk Management Committee consisted of Mr. P. K. Khaitan (Chairman), Mr A. Basu, Mr. B.M. Khaitan and Mr. P. Chaudhuri. Besides, the Committee also comprised of two senior executives viz. Executive Director (HR & Admin.) and Executive Director & CFO as its members. With effect from 28 May 2018, the Committee has been re-constituted with Mr. P. K. Khaitan (Chairman), Mr. P. Chowdhuri and Mr. Rabi Chowdhury as members of the Committee.

**(ii) Meetings :**

During the financial year, the Committee met on 18 May 2017. Table 6 below gives the attendance record of the Members at the Meeting :

**Table 6 : Attendance Record of Risk Management Committee**

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. P. K. Khaitan	Chairman	Independent	1	1
Mr A. Basu	Member	Executive	1	1
Mr. B.M. Khaitan	Member	Independent	1	-
Mr. P. Chaudhuri	Member	Independent	1	-

**(iii) Terms of reference :**

The Committee oversees the functions of Internal Risk Management Committee and provides necessary guidance to it in key operational areas such as risk identification, assessment and treatment exercises in respect of all divisions of the Company including in matters like fire prevention, power evacuation process, security control room functioning, disaster management, boiler management, turbine monitoring, system failure, anti-pilferage network, T&D loss reduction, adherence to regulatory standards, IT system, implementation of new projects etc.

**REMUNERATION OF DIRECTORS**

Payment of remuneration to Managing Director is governed by the agreements executed with the Company and is governed by Board and Shareholders' resolutions. The remuneration structure comprises salary, variable pay, perquisites and allowances and retirement benefits in the forms of superannuation and gratuity. The details of all remuneration paid or payable to the Directors have been given below.

**Remuneration paid or payable to Non-Executive Directors for the year ended 31 March 2018 :**

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2017-18 are as follows : Mr. S. Goenka, Chairman - ₹ 17,00,000, Mr. P. K. Khaitan - ₹ 7,00,000, Mr. B. M. Khaitan - ₹ 12,00,000, Mr. C. K. Dhanuka - ₹ 11,00,000, Ms. R. Sethi - ₹ 6,00,000, Mr. K. Jairaj - ₹ 6,00,000, Mr. P. Chaudhuri - ₹ 5,00,000

Sitting fees include payment for Board-level committee meetings.

After taking into account the Non-Executive Directors' contribution to the Company in formulating its policy matters, their qualifications, experience, time spent by them on strategic matters, the Company, with the due approval of the shareholders, made payment of commission during the year 2017-18 at the rate of 3% of net profits for the financial year 2016-17, calculated under the applicable provisions of the Companies Act, 2013. A sum of ₹ 3273 Lakh has been paid to the Non-Executive Directors of the Company for the said year, out of which a total sum of ₹ 60 lakh was paid to the Non-Executive directors other than the Chairman who was paid the balance amount, as per the decision of the Board. Amount of the proposed commission for the Non-Executive Directors for the year 2017-18 on the same basis is ₹ 3316 Lakh.

**Remuneration of the Managing Director :**

The remuneration of Mr. A. Basu who was Managing Director during the year, in accordance with the Resolution passed by the Shareholders at the Thirty-Seventh Annual General Meeting held on 31 July 2015 was : Salary – ₹ 93.15 lakh, Contribution to Pension and Provident Fund and Gratuity – ₹ 75.64 lakh, Estimated value of other benefits – ₹ 181.43 lakh, maximum variable pay payable for 2017-18 – ₹ 75.00 lakh. Total: ₹ 425.24 lakh. Mr. Basu was the only executive on the Company's Board as on 31 March 2018. The Company's five year contract with Mr. Basu ended on 27 May, 2018, by efflux of time.

**Shares held by Non-Executive Directors :**

As on 31 March 2018, Mr. S. Goenka, Chairman and Non-Executive Director held 1,34,794 equity shares of the Company. No other Director holds any equity shares in CESC. As on 31 March 2018, no convertible instruments of the Company were outstanding.

**SUBSIDIARY COMPANIES**

Pursuant to the implementation of the Composite Scheme of Arrangement ('the Scheme'), referred to elsewhere in the Annual Report as on 31 March, 2018 CESC had 15 subsidiaries. CESC Infrastructure Limited (CIL) was the only material subsidiary of the Company at the beginning of the year. However in terms said implementation of the Scheme, CIL ceased to be a subsidiary of the Company with effect from 1 October, 2017 being the Appointed Date of the Scheme. Mr. P. Chaudhuri Independent Director of the Company was also director of CIL. (Refer note no. 52 to the financial statements for the year 2017-18).

Web link of policy for determining material subsidiaries is given below :

[https://www.cesc.co.in/wp-content/uploads/policies/POLICY\\_ON\\_MATERIAL\\_SUBSIDIARIES.pdf](https://www.cesc.co.in/wp-content/uploads/policies/POLICY_ON_MATERIAL_SUBSIDIARIES.pdf)

**MANAGEMENT****MANAGEMENT DISCUSSION AND ANALYSIS**

This Annual Report has a detailed chapter on Management Discussion and Analysis.

**DISCLOSURES BY MANAGEMENT TO THE BOARD**

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion nor do they vote on such matters.

**DISCLOSURE OF ACCOUNTING CONVENTION IN PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared to comply in all material aspects with the applicable accounting principles in India, including accounting standards notified under Section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions of the Act and the regulations under the Electricity Act, 2003, to the extent applicable. The financial statements have also been prepared in accordance with relevant presentational requirements of the Act.

**CODE FOR PREVENTION OF INSIDER TRADING PRACTICES**

The Company has in place a code – "Code of Conduct to Regulate, Monitor and Report Trading by Insiders" in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code lays down guidelines, which advises the insiders on procedures to be followed and disclosures to be made, while dealing with the Company's securities. The code clearly specifies, among other matters, that "Designated Persons" including Directors of the Company can trade in the Company's securities only when the 'Trading Window' is open. The trading window is closed during the time of declaration of financial results, dividend and other important events as mentioned in the Code.

Apart from the above, the Company also has in place a “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” in terms of the aforesaid regulations. Company Secretary is the Compliance Officer who also heads the Investor Relation Functions. The above two codes are posted on the Company’s website [www.cesc.co.in](http://www.cesc.co.in).

#### RELATED PARTY TRANSACTIONS

Details of transactions of a material nature with any of the related parties as specified in Indian Accounting Standard (IND AS) 24 issued by the Institute of Chartered Accountants of India are disclosed in Note 42 to the financial statements for the year 2017-18. There has been no material transaction with any of the related parties which was in conflict with the interests of the Company. There has been no material pecuniary relationship or transaction between the Company and its Non-Executive Directors during the year. The Company’s policy on dealing with Related Party Transactions is posted at:

[https://www.cesc.co.in/wp-content/uploads/policies/RELATED\\_PARTIES\\_POLICY.pdf](https://www.cesc.co.in/wp-content/uploads/policies/RELATED_PARTIES_POLICY.pdf)

#### WHISTLE BLOWER POLICY

As required under the Act and Listing Regulations, the Company has formulated a Whistle Blower Policy for its Directors and permanent employees. Under the Policy, instances of any irregularity, unethical practice and / or misconduct can be reported to the management for appropriate action. No such case has been reported during the year and accordingly, the question of denying any personnel due access to audit committee does not arise.

#### ANTI SEXUAL HARASSMENT POLICY

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. Internal Complaints Committee set up for the purpose had received one complaint which was duly disposed of during the year.

#### CEO/CFO CERTIFICATION

Certification by the CEO and the CFO as to the financial statements for the year has been submitted to the Board of Directors, as required by the Listing Agreement.

#### APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

Mr. Sanjiv Goenka retires at the conclusion of the forthcoming Annual General Meeting of the Company, and being eligible, offers himself for reappointment.

The current five year terms of appointment of Mr. Chandra Kumar Dhanuka, Ms. Rekha Sethi and Mr. K. Jairaj, three of the Independent Directors of the Company, will expire on 31 March, 2019, 29 May, 2019 and 31 July, 2019 respectively. It is proposed to reappoint each of them as Independent Directors, not liable to retire by rotation, for a fresh five year term with effect from 1 April, 2019, 30 May, 2019 and 1 August, 2019 respectively, in accordance with the applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder. The notice convening the ensuing Annual General Meeting includes requisite Special Resolution in respect of the proposed re-appointments.

The Board and its Nomination and Remuneration Committee have recommended continuation of Mr. Pradip Kumar Khaitan as a Non-Executive Independent Director of the Company in terms of Sub- Regulation 17(1A), introduced with effect from 1 April 2019 under the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements), 2018. The Notice convening the ensuing Annual General Meeting includes the requisite Special Resolution for this purpose.

On the recommendation of the Nomination and Remuneration Committee and subject to approval of the members, the Board of Directors of the Company at its meeting held on 23 May 2018 appointed Mr. Rabi Chowdhury and Mr. Debasish Banerjee as Additional Directors of the Company with effect from 28 May 2018 in terms of the provisions of Section 161 of the Companies Act 2013 (the ‘Act’) read with Article 104 of the Articles of Association of the Company. Further, Mr. Rabi Chowdhury and Mr. Debasish Banerjee were also appointed by the Board at its aforesaid meeting as the Managing Director (Generation) and Managing Director (Distribution) respectively for a period of 5 years from 28 May 2018 subject to necessary approval of the shareholders in general meeting. The above appointments were made by the Board on recommendation of the Nomination and Remuneration Committee of the Board.



Their details of the directors, mentioned above, are given below :

Name of the Director	Mr. Sanjiv Goenka
Age	57
Brief Resume	<p>Mr. Sanjiv Goenka, is the Chairman, of RP Sanjiv Goenka Group, having an asset base of over ₹ 42,000 crores. The Group has over 45,000 employees and over a hundred thousand shareholders with annual revenues of more than ₹ 23,000 crores .</p> <p>The Group’s businesses spanning across six sectors – Power &amp; Natural Resources, Carbon Black, Retail &amp; Consumer, Media, Entertainment &amp; Sports and IT &amp; Education, include flagship companies such as CESC Limited, Firstsource Solutions Ltd, Phillips Carbon Black Ltd, Spencer’s Retail Ltd and Saregama India Ltd.</p> <p>Born in 1961, Mr. Goenka took over in April 2001, as the youngest-ever President of the Confederation of Indian Industry (CII). He is the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur (IIT-KGP) and also Chairs the International Management Institute, Delhi, Bhubaneswar and Kolkata. Mr. Goenka is the Trustee in India Brand Equity Foundation (IBEF), Ministry of Commerce and Industry, Government of India w.e.f. September 2018.</p> <p>A former President of All India Management Association (AIMA), Mr. Goenka was conferred Indian Business Leader of the Year at Belfast Global India Business Meet in 2013, Banga Bibhushan Award for his contribution to the state of West Bengal, and Distinguished Fellowship Award of Institute of Director, India at their 16th London Global Convention, 2016.</p> <p>Mr. Goenka is ranked No. 18 in India Today’s list of 50 Most powerful people in India in 2018 . Born in Kolkata and educated at the famed St. Xavier’s College, Mr. Goenka is married to Preeti. They have a daughter, Avarna, and a son, Shashwat.</p>
Other Directorship	Mr. Goenka is the Chairman of the Board of Directors of Phillips Carbon Black Limited, Saregama India Limited (also Chairman of its Stakeholder Relationship Committee), Firstsource Solutions Limited, Spencers International Hotels Limited, Spencer & Co Limited, Haldia Energy Limited, RP-SG Retail Limited (member of its Nomination & Remuneration Committee and Stakeholders Relationship Committee) (w.e.f. 14 November, 2018) and RP-SG Business Process Services Limited (member of its Audit Committee, Nomination & Remuneration Committee and also Chairman of its Stakeholders Relationship Committee) (w.e.f. 14 November, 2018).
Shareholding	1,34,794

Name of the Director	Mr. Chandra Kumar Dhanuka
Age	64
Brief Resume	<p>Mr. Chandra Kumar Dhanuka, is a graduate in commerce and has over 38 years of experience in the industry. A well-known industrialist, 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, ex – vice chairman of the Tea Board, ex-President of Indian Chamber of Commerce and also the ex – president of the All India Organization of Employers.</p> <p>He is on the board of CESC Limited since 2012 and is the Chairman of its Audit Committee and member of Nomination and Remuneration Committee.</p>

Other Directorship	<p>Mr. Dhanuka is the Chairman of Dhunseri Petrochem Limited (also a member of its Audit Committee, Stakeholders Relationship Committee, Nomination &amp; Remuneration Committee and CSR Committee), Naga Dhunseri Group Limited (also a member of its Audit Committee and CSR Committee and Chairman of its Risk Management Committee), Mint Investments Ltd (also a Chairman of its Risk Management Committee and member of Audit Committee), Trimplex Investments Limited, Jatayu Estate Private Limited, ABC Tea Workers Welfare Services, Madhuting Tea Private Limited, Dhunseri Investments Limited (also a member of Stakeholders Relationship Committee, Risk Management Committee, Nomination &amp; Remuneration Committee &amp; CSR Committee), Makandi Tea &amp; Coffee Estates Ltd, Kawalazi Estates Co Ltd, Dhunseri Tea &amp; Industries Limited (Chairman &amp; Managing Director and member of Stakeholders Relationship Committee, Nomination &amp; Remuneration Committee, Audit Committee &amp; CSR Committee and Chairman of Risk Management Committee) and IVL Dhunseri Petrochem Industries Private Limited.</p> <p>He is also on the Boards of Egyptian Indian Polyester Co. SAE as Vice Chairman, Dhunseri Infrastructure Limited and Emami Limited (Member of Audit Committee and Nomination &amp; Remuneration Committee and Chairman of Stakeholder Relationship Committee)</p>
Shareholding	Nil

Name of the Director	Ms Rekha Sethi
Age	55
Brief Resume	<p>Ms Rekha Sethi, is the Director General of the All India Management Association (AIMA), the apex body for management in India working closely with Industry, Government, Academia and students to further the cause of the management profession in India. Ms. Sethi took charge of AIMA in June 2008. It is now the preferred platform for discussions and debate on management related diverse issues. AIMA attracts India's top industry leaders and policy makers on its platform.</p> <p>She is a member of the Executive Council of the National Board of Accreditation, which is mandated to facilitate quality in technical education syllabi in India and a member of the Advisory Board of the Switzerland based St Gallen Foundation think tank, Leaders of Tomorrow – Knowledge Pool.</p> <p>Prior to joining AIMA, Ms. Sethi worked with India's premier industry organization, the Confederation of Indian Industry (CII) for over 17 years. There she led the initiative to create high-profile international events to promote India's economic interests.</p> <p>A graduate in English Literature with a post-graduate diploma in Advertising and Marketing, Ms. Sethi started her career at the Centre for Development of Telematics (C-Dot) in 1985 and worked at UDI, India's first yellow pages publisher, before joining CII.</p>
Other Directorship	<p>Ms. Sethi is also an Independent Director on the Boards of Sun Pharmaceutical Industries Ltd (Chairperson of Nomination &amp; Remuneration Committee and Member of CSR and Audit Committees), Sun Pharma Laboratories Ltd (Chairperson of Nomination &amp; Remuneration Committee, Member of CSR Committee &amp; Audit Committee), Hero Steels Limited (Chairperson of Audit Committee and Member of Nomination &amp; Remuneration Committee), Haldia Energy Limited and RP-SG Retail Limited (w.e.f. 14 November, 2018).</p>
Shareholding	Nil

Name of the Director	Mr. Kalaikuruchi Jairaj
Age	66
Brief Resume	Mr. Kalaikuruchi Jairaj, is a member of the 1976 batch of the Indian Administrative Service (IAS), and retired in 2012 as Additional Chief Secretary to the Government of Karnataka. He has held distinguished appointments in 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 has served on the Board of Governors, Indian Institute of Management, Bangalore and Kashipur. He is also associated with several educational and not for profit institutions. He has also been President of All India Management Association.
Other Directorship	Mr. Jairaj serves as an Independent Director on the Boards of Adani Transmission Limited (also Chairman of its Audit Committee & Stakeholder Relationship Committee), Neo Foods Private Limited, Maharashtra Eastern Grid Power Transmission Company Limited, Adani Transmission (India) Limited, Sembcorp Energy India Limited (member of its Audit Committee and Chairman of its Stakeholder Relationship Committee), Adani Electricity Mumbai Limited and RP-SG Business Process Services Limited (also as Chairman of its Audit Committee, Nomination & Remuneration Committee and member of CSR Committee) (w.e.f. 14 November, 2018).
Shareholding	Nil

Name of the Director	Mr. Pradip Kumar Khaitan
Age	77
Brief Resume	Mr. Pradip Kumar Khaitan, 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.
Other Directorship	Mr. Khaitan is in the Boards of Graphite India Limited (Chairman of the Nomination & Remuneration Committee and member of Stakeholders Relationship Committee), Dhunseri Petrochem Limited (Member of Nomination & Remuneration Committee and Chairman of CSR Committee), India Glycols Limited (Chairman of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and member of CSR & Risk Management Committee), OCL India Limited, Electrosteel Castings Limited (Member of Audit Committee, Nomination & Remuneration Committee & CSR Committee), Dalmia Bharat Limited (Member of Audit cum Risk Management Committee and Nomination & Remuneration Committee), Emami Limited, Firstsource Solutions Limited, Woodlands Multispeciality Hospital Limited (member of Audit Committee and Nomination & Remuneration Committee) and Odisha Cement Limited.
Shareholding	Nil

Name of the Director	Mr. Rabi Chowdhury
Age	58
Brief Resume	Mr. Rabi Chowdhury is a Bachelor of Electrical Engineering from Jadavpur University in the year 1982. He joined CESC in the year 1984. Prior to that he was employed with Steel Authority of India Limited. He has vast experience of over 32 years in operation and maintenance of Thermal Power Generating Station commissioning of 2 x 250 MW Budge Budge Generating Station of the Company, project development, engineering, execution and commissioning of CESC's 250 MW Budge Budge III Unit and played a key role in erection and commissioning of 600 MW power plant of the Company's subsidiary Haldia Energy Limited where he is also acting as Managing Director.
Other Directorship	Mr. Chowdhury is on the Boards of Haldia Energy Limited, CESC Green Power Limited, Dhariwal Infrastructure Limited, Jarong Hydro-Electric Power Company Limited & Ghaziabad Power Company Limited.
Shareholding	228

Name of the Director	Mr. Debasish Banerjee
Age	57
Brief Resume	Mr. Debasish Banerjee is an Electrical Engineer with proficiency in Business Management, having 34 years of rich and diverse industry experience. He has started his career from Areva and moved onto Crompton Greaves and Schneider Electric, heading Business Operations in Utilities, Industry Dealer Domain. In the last stint as CEO of Reliance Energy, contributed to improving Operational Efficiency through Business Processes Reengineering & Automation, thus improving bottom line and customer delight, while optimizing cost. In pursuit of his passion to deploy technology for radical change, he is continually engaged in disruptive Technological Innovations, for delivering a real time, digital experience, riding the new waves of mobility, IoT, big data analytics & artificial intelligence.
Other Directorship	Nil
Shareholding	Nil

#### COMMUNICATION TO SHAREHOLDERS

CESC puts forth key information about the Company and its performance, including quarterly results, official news releases and presentations to analysts, on its website [www.cesc.co.in](http://www.cesc.co.in) regularly for the benefit of its shareholders and the public at large.

During the year, the Company's quarterly/half-yearly/yearly results have been published in leading English and Bengali newspapers and also posted on its website. Hence, they are not separately sent to the Shareholders. However, the Company furnishes the quarterly results on receipt of a request from any Shareholder.

Details of foreign exchange risk and hedging activities are disclosed in Note 46 to the financial statements for the year 2017-18.

#### GENERAL BODY MEETINGS

The date, time and venue of the last three annual general meetings are given below.

Financial year	Date	Time	Venue	Special Resolutions Passed
2014-15	31 July 2015	10:30 A.M.	CITY CENTRE Royal Bengal Room, DC Block Sector I, Salt Lake, Kolkata - 700064	One
2015-16	22 July 2016	10.30 AM	Rangmanch, Swabhumi, 89C, Moulana Abul Kalam Azad Sarani, Kolkata - 700054	One
2016-17	28 July 2017	10.30 AM	CITY CENTRE Royal Bengal Room, DC Block Sector I, Salt Lake, Kolkata - 700064	One

No special resolution passed at the above Annual General Meetings was required to be put through postal ballot. No resolution is proposed to be passed at the forthcoming Annual General Meeting through postal ballot.

## **COMPLIANCE**

### **MANDATORY REQUIREMENTS**

The Company is fully compliant with the applicable mandatory requirements of Listing Regulations.

### **NON-MANDATORY REQUIREMENTS**

The details of compliance of the non-mandatory requirements are listed below.

### **SHAREHOLDER RIGHTS — FURNISHING OF QUARTERLY RESULTS**

Details of the shareholders' rights in this regard are given in the section 'Communication to Shareholders'.

### **AUDIT QUALIFICATIONS**

During the current financial year, there are no audit qualifications in the financial statements of the Company. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

### **DETAILS OF NON-COMPLIANCE BY THE COMPANY**

To the best of its knowledge, CESC has complied with all requirements of the regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

### **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance, as mandated in Regulation 27 of the Listing Regulations. The certificate is annexed to this report.

On behalf of the Board of Directors

Kolkata, 14 November 2018

Sanjiv Goenka  
Chairman

## **Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Members of CESC Limited  
CESC House  
Chowringhee Square  
Kolkata-700 001

1. The Corporate Governance Report prepared by CESC Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### **Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### **Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;
  - iv. Obtained and read the minutes of the following committee meetings held April 1, 2017 to March 31, 2018:
    - (a) Board of Directors meeting;
    - (b) Audit committee;
    - (c) Annual General meeting;
    - (d) Nomination and remuneration committee;
    - (e) Stakeholders Relationship Committee;
    - (f) Independent directors meeting;
    - (g) Risk management committee; and
    - (h) Corporate Social Responsibility Committee

- v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### **Opinion**

- 8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

#### **Other matters and Restriction on Use**

- 9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- 10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per Kamal Agarwal  
Partner  
Membership Number: 058652  
Place of Signature: Kolkata  
Date: 14 November 2018

## Additional Shareholder Information (Annexure 'C' to Directors' Report)

### ANNUAL GENERAL MEETING

Date	: 21 December, 2018
Time	: 3.00 P.M.
Venue	: City Centre Royal Bengal Room DC Block, Sector-I Salt Lake, Kolkata - 700 064

FINANCIAL CALENDAR : 1 April to 31 March.

### For the year ended 31 March 2018, results were announced on :

First quarter	11 August, 2017
Second quarter	8 November, 2017
Third quarter	8 February, 2018
Fourth quarter	23 May, 2018
Annual	14 November, 2018

### For the year ended 31 March 2019, results announcement dates :

First quarter	26 July 2018
Second quarter	14 November 2018
Third quarter	Within 14 February 2019
Fourth quarter and annual	Within 30 May 2019

### DIVIDEND

The Board on 28 February, 2018 declared an interim dividend of ₹ 12 per equity share. The said interim dividend was paid on and from 15 March 2018.

### LISTING

Equity shares of CESC are listed on The Calcutta Stock Exchange Limited, Kolkata, BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai. The Global Depository receipts of the Company are listed in the Luxembourg Stock Exchange.

### STOCK CODES

CSE	7, Lyons Range, Kolkata - 700001	PHYSICAL: 34; DEMAT: 10000034
BSE	Phiroze Jeejeeboy Tower, Dalal Street, Mumbai - 400001	PHYSICAL: 84; DEMAT: 500084
NSE	Bandra Kurla Complex, Bandra (E), Mumbai - 400051	CESC
ISIN No.		INE486A01013

All listing and custodial fees to the stock exchanges and depositories have been duly paid.

### STOCK DATA AND PERFORMANCE

Table 1 below gives the monthly high and low prices of CESC's equity shares at the BSE limited (BSE) and the National Stock Exchange (NSE) for the year 2017-18.



**Table 1 : High and Low Prices at the BSE and NSE (₹)**

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2017	948.20	827.00	948.60	827.65
May, 2017	1001.85	812.00	1001.40	807.05
June, 2017	923.40	848.90	923.95	847.50
July, 2017	948.30	860.45	948.00	850.50
August, 2017	1037.50	898.85	1037.40	893.55
September, 2017	1079.70	975.00	1080.00	972.95
October, 2017	1062.95	991.00	1064.65	991.00
November, 2017	1052.00	975.00	1053.90	973.20
December, 2017	1075.00	973.25	1069.80	972.00
January, 2018	1188.95	1047.00	1190.00	1045.25
February, 2018	1066.75	925.00	1067.75	938.00
March, 2018	1025.95	859.80	1026.15	861.35

**Note :** There is no trading in the shares of the Company at CSE during the year.

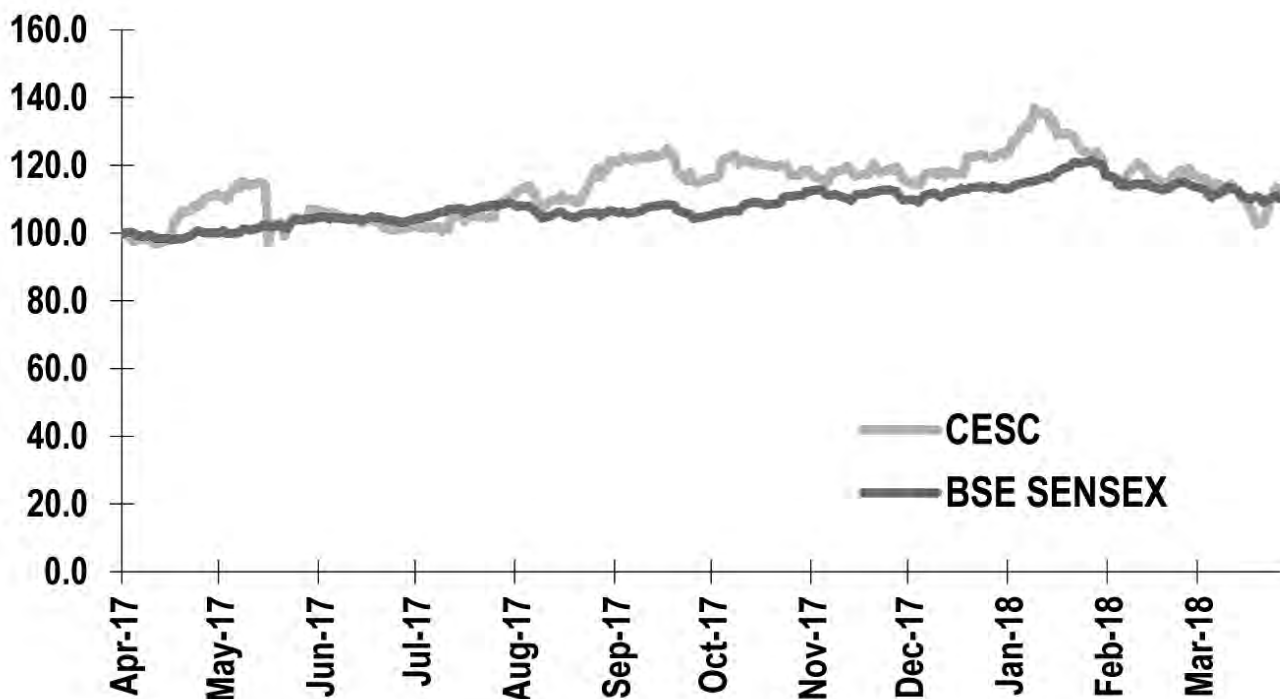
Table 2 provides the closing price of CESC's equity shares on NSE with leading market and sector indices at the last trading day for each month during the financial year 2017-18:

**Table 2 : Performance in Comparison to NSE, BSE Sensex, BSE 500 and BSE Power Index**

As on close of last trading day for each month	CESC's Closing Price on NSE (₹)	CESC's Closing Price on BSE (₹)	NSE Nifty	BSE Sensex	BSE 500 Index	BSE Power Index
April, 2017	944.60	944.20	9304.05	29918.40	12979.24	2329.75
May, 2017	917.75	918.00	9621.25	31145.80	13199.15	2220.59
June, 2017	868.55	871.05	9520.90	30921.61	13178.45	2225.54
July, 2017	942.75	943.20	10077.10	32514.94	13897.23	2323.61
August, 2017	1015.70	1015.75	9917.90	31730.49	13762.13	2261.46
September, 2017	986.80	986.75	9788.60	31283.72	13610.70	2206.23
October, 2017	1018.70	1018.20	10335.30	33213.13	14485.57	2349.20
November, 2017	1013.15	1013.85	10226.55	33149.35	14493.58	2320.68
December, 2017	1048.00	1047.85	10530.70	34056.83	15002.73	2381.69
January, 2018	1054.75	1054.90	11027.70	35965.02	15347.19	2319.48
February, 2018	1023.45	1022.30	10492.85	34184.04	14670.49	2223.14
March, 2018	966.20	967.65	10113.70	32968.68	14125.53	2125.83

Chart A plots the movement of CESC's equity shares' adjusted closing prices compared to the BSE Sensex.

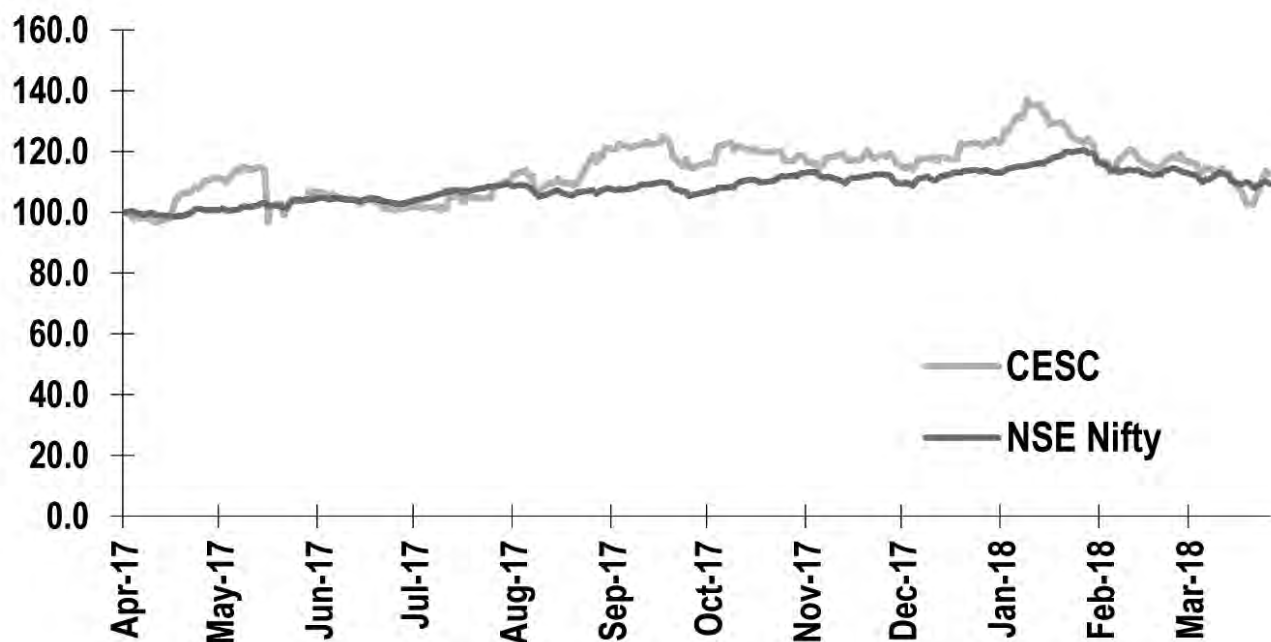
**Chart A: CESC Share Performance versus BSE Sensex**



Note : Share price of CESC and BSE Sensex have been indexed to 100 on 3 April 2017

Chart B plots the movement of CESC's equity shares' adjusted closing prices compared to the NSE NIFTY.

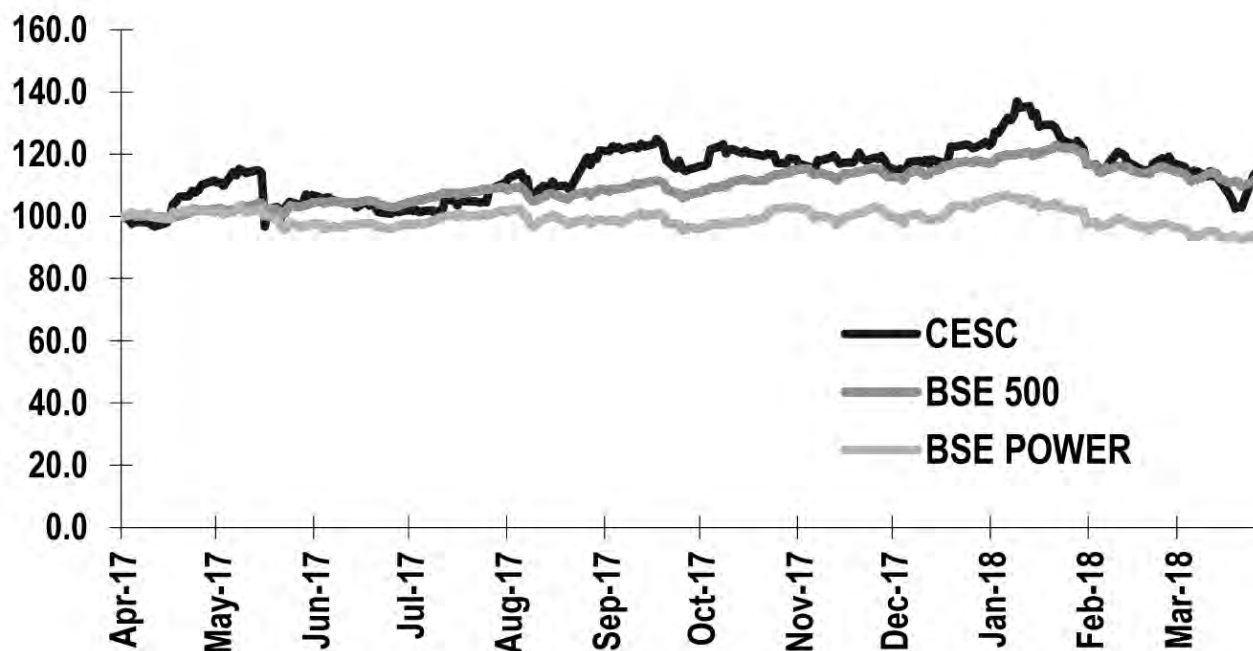
**Chart B : CESC Share Performance versus NSE NIFTY**



Note : Share price of CESC and NSE NIFTY have been indexed to 100 on 3 April 2017

Chart C plots the movement of CESC's equity shares' adjusted closing prices compared to the BSE 500 and BSE Power.

**Chart C : CESC Share Performance versus BSE 500 & BSE Power**



Note : Share price of CESC, BSE 500 and BSE Power have been indexed to 100 on 3 April 2017

#### SHARE TRANSFER ARRANGEMENT, INVESTOR GRIEVANCES & SHAREHOLDER REDRESSAL

CESC processes share transfers through its registrar and share transfer agent, whose details are given below :

LINK INTIME INDIA PRIVATE LIMITED  
 59C Chowringhee Road,  
 3<sup>rd</sup> Floor  
 Kolkata – 700 020  
 Tel No. : 2289 0540  
 Fax No. : 2289 0539  
 E-mail : [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in)  
 Website : [www.linkintime.co.in](http://www.linkintime.co.in)

Investors correspondence may be sent to the Company's registrar and share transfer agent at the above address or at the Company's registered address given below :

Secretarial Department  
 CESC Limited  
 CESC House  
 Chowringhee Square  
 Kolkata – 700 001  
 Tel No. : 6634 0814  
 Fax No. : 2236 3868  
 E-mail : [secretarial@rp-sg.in](mailto:secretarial@rp-sg.in)

Mr. S. Mitra, Company Secretary, is the Compliance Officer overseeing the process of redressal of all shareholders' grievances. In compliance with the SEBI circular dated 27 December, 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, CESC has established direct connections with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its registrar and share transfer agent.

Shares received in physical form are processed and the share certificates are returned within 10 to 15 days from the date of receipt, subject to the documents being complete and valid in all respects. The Company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the Depository. The Registrar and Share Transfer Agent of the Company periodically receives data regarding the beneficiary holdings, so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

As on 31 March 2018, dematerialised shares accounted for 96.68% of total equity. Outstanding global depository receipts as on the said date was 7932. There is no subsisting court order in legal proceedings against CESC in any share transfer matter. Table 3 reports details of the number and nature of complaints for the year 2017-18

**Table 3 : Complaints from Shareholders during 2017-18**

Particulars	Complaints				
	Non receipts of certificates	Non-Receipt of Dividend	Non Receipt of Annual Reports / Non Receipt of Demat Credit	Others	Total
Received during the year	10	6	5	29	50
Attended during the year	9	6	5	29	49
Pending as on 31 March 2017	Nil	Nil	Nil	Nil	1*

\* The complaint was resolved on 05.04.2018

#### SHAREHOLDING PATTERN

Tables 4 and 5 report the pattern of shareholding by ownership and shareholding class respectively.

**Table 4 : Pattern of Shareholding by Ownership as on 31 March 2018**

Category	As on 31 March 2018	
	Total No. of Shares	Percentage
<b>1. Management Group / Families</b>	<b>6,61,72,209</b>	<b>49.92%</b>
<b>2. Institutional Investors</b>		
a. Mutual Funds	2,73,98,269	20.67%
b. Banks, Financial Institutions, Insurance Companies	58,49,920	4.41%
c. FIs	1,77,33,571	13.38%
<b>Total</b>	<b>5,09,81,760</b>	<b>38.46%</b>
<b>3. Others</b>		
a. Bodies Corporate	56,44,177	4.26%
b. Indian Public	73,07,219	5.51%
c. NRIs	9,81,763	0.74%
d. Others	14,69,915	1.11%
<b>Total</b>	<b>1,54,03,074</b>	<b>11.62%</b>
<b>Grand Total</b>	<b>132,557,043</b>	<b>100.00%</b>

**Table 5 : Pattern of Shareholding by Share Class as on 31 March 2018**

Shareholding Class	No of shareholders	No of shares held	Shareholding %
1 to 500	48989	3402535	2.57
501 to 1,000	1653	1221474	0.92
1,001 to 2,000	694	1008737	0.76
2,001 to 3,000	210	522729	0.39
3,001 to 4,000	116	405110	0.30
4,001 to 5,000	82	385487	0.29
5,001 to 10,000	172	1272201	0.95
10,001 and above	332	124338770	93.80
Total	52248	132557043	100.00

#### PLANT LOCATIONS

CESC's generating stations are located at Budge Budge, Southern and Titagarh in and around the city of Kolkata. The details of regional offices of the Company are mentioned elsewhere in the Annual Report.

#### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

##### A. Details of due dates :

The due dates on which unclaimed dividends lying in the unpaid dividend accounts of the Company would be credited to the IEPF are stated in the table below. Investors are requested to claim their unclaimed dividends before these due dates.

**Table 6 : The Dates of Declaration, the Due Dates for Credit to IEPF and the Amounts**

Year	Date of Declaration	Due Date for Credit to IEPF	Amount Lying Unpaid /Unclaimed as on 31 March 2018 (₹)
2011-12	27 July, 2012	28 September 2019	38,56,275.01
2012-13	26 July, 2013	27 September 2020	40,90,936.84
2013-14	30 July, 2014	02 October 2021	58,07,439.47
2014-15	31 July, 2015	01 October 2022	76,23,495.14
2015-16	11 March, 2016	09 May 2023	77,32,893.87
2016-17	15 February, 2017	14 April 2024	88,23,367.41
2017-18	28 February, 2018	03 May 2025	1,01,00,688.81

##### B. Transfer to IEPF :

During the year, the following transfer was made to IEPF :

Particulars	Amount (₹)	Date of Transfer
Unclaimed Equity dividend for 2009-10	30,38,905	25 August, 2017
Unclaimed Equity dividend for 2010-11	29,32,373	27 August, 2018

## UNCLAIMED SHARES

In terms of the SEBI (LODR) Regulations, 2015, the Company had transferred equity shares which were lying unclaimed, into “CESC Unclaimed Suspense Account”, after issuing three reminders to the concerned shareholders. These shares may be claimed back by the concerned shareholders on compliance of necessary formalities.

It may also be noted that all the corporate benefits accruing to these shares shall also be credited to the said “CESC Unclaimed Suspense Account” and the voting rights of these shares shall remain frozen until the rightful owner claims the shares.

The status of equity shares lying in CESC Unclaimed Suspense Account is given below :

Sl. No.	Particulars	No of shareholders	No. of equity shares held
1	Aggregate number of shareholders and the outstanding in the suspense account as on 1 April 2017	332	1, 69,777
2	No of shareholders who approached the Company for transfer of shares from the suspense account	12	1,729
3.	No of shareholders to whom shares were transferred from the suspense account	12	1,729
4.	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	320	1,68,048

For and on behalf of the Board of Directors

Sanjiv Goenka  
Chairman

Kolkata, 14 November 2018

## DECLARATION

As required under the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016, it is confirmed that all Directors and Senior Management Officers have affirmed compliance of the Code of Business Conduct and Ethics during the year 2017-18.

Rabi Chowdhury  
Managing Director (Generation)

Debasish Banerjee  
Managing Director (Distribution)

Kolkata, 14 November 2018