

Ref: IPCL/SE/LODR/2019-20/25

30th May, 2019

The Secretary,
National Stock Exchange of India Ltd.,
Exchange Plaza, Plot No. C/1, G Block
Bandra Kurla Complex,
Bandra (E), Mumbai- 400 051.
Scrip Symbol: DPSCLTD


The Vice President
Metropolitan Stock Exchange of India Ltd
4th floor, Vibgyor Towers, Plot No C 62,
G Block, Opp. Trident Hotel, Bandra Kurla Complex,
Bandra (E), Mumbai- 400098.
Scrip Symbol: DPSCLTD

Dear Sir(s),

Sub: Annual Secretarial Compliance Report for the financial year ended 31st March, 2019

Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019, please find enclosed herewith the Annual Secretarial Compliance Report of the Company issued by M/s. H. M. Choraria & Co., Practising Company Secretaries, for the financial year ended 31st March, 2019.

This is for your information and records.

Yours faithfully
For India Power Corporation Limited

Prashant Kapoor
Company Secretary & Compliance Officer



Encl: as above

India Power Corporation Limited

CIN: L40105WB1919PLC003263

[formerly DPSC Limited]

Registered Office: Plot No. X1- 2&3, Block-EP, Sector -V, Salt Lake City, Kolkata - 700 091

Tel.: + 91 33 6609 4308/09/10, Fax: + 91 33 2357 2452

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**Secretarial compliance report of India Power Corporation Limited
for the year ended on 31st March, 2019**

I, Hanuman Mal Choraria, Proprietor - H M Choraria & Co., Practising Company Secretaries, holding Certificate of Practice (COP) No. 1499, have examined:

- (a) all the documents and records made available to us and explanation provided by India Power Corporation Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended on 31st March, 2019 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (j) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-



| Sr. No | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Deviations | Observations/ Remarks of the Practicing Company Secretary |
|--------|---|---|---|
| 1 | Rule 19(2) and rule 19A of the Securities Contracts (Regulation) Rules, 1957 Clause 40A of the erstwhile Listing Agreements | Whole Time Member, Securities and Exchange Board of India ("SEBI") passed an ex-parte Interim order No. WTM/PS/08/CFI/JUN E/2013 dated 04th June, 2013 directing the listed entity to comply with the minimum public shareholding of 25% as specified in rule 19(2) and rule 19A of the Securities Contracts (Regulation) Rules, 1957 and clause 40A of the erstwhile Listing Agreements. | <p>The listed entity has represented to SEBI that it has complied with the minimum public shareholding ("MPS") requirement pursuant to the Scheme of Arrangement and Amalgamation ("Scheme") of erstwhile India Power Corporation Limited ("erstwhile IPCL") (CIN: U40101WB2003PLC097340) into and with the listed entity sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013 whereby 24.69% equity share capital of the listed entity have been transferred by erstwhile IPCL to an independent irrevocable trust named as 'Power Trust', having independent Board of Trustees which constituted members of the Public, and accordingly erstwhile IPCL's shareholding in the listed entity has come down from 93% to 68.31% and public shareholding in the listed entity has increased from 7% to 31.69%.</p> <p>Thereafter in December, 2013, SEBI filed an application before the Hon'ble High Court of Calcutta, seeking amendment to Clause 3.3.3 of the Scheme, contending that the Scheme flouted the MPS requirement by providing that 'Power Trust', an irrevocable independent trust, would qualify as 'public shareholder' under Applicable Law.</p> <p>The Hon'ble High Court of Calcutta disposed off the application filed by SEBI vide its order dated 27th January, 2017, directing Power Trust to Offer For Sale ("OFS") 32,63,16,563 shares of the listed entity to the public by 30th April, 2017, which period was subsequently extended by the Hon'ble High Court, to 31st December, 2017 with a further grace period of up to the end of February, 2018 vide its order dated 25th August, 2017. During the</p> |

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|---|--|---|--|
| | | | <p>period Power Trust floated five OFSs, wherein in aggregate 22,63,166 equity shares were sold. Subsequently, Power Trust filed an application before the Hon'ble High Court seeking extension of time to sell the remaining 32,40,53,397 shares of the listed entity to the public, and for permission to offload and sell the balance shares by other methods as prescribed by SEBI in the circular dated 22nd February, 2018. The Hon'ble High Court, vide its order dated 18th May, 2018 disposed off the said application, directing that all steps to dispose of the balance shares be taken expeditiously, using all methods and combinations thereof as prescribed by the relevant statutory provisions, including the methods provided under the Circular, subject to such caps and limits as provided by the SEBI Regulations.</p> <p>Power Trust in terms of the order dated 18th May, 2018 floated one OFS, wherein 17,513 equity shares were sold.</p> |
| 2 | <p>Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 provides that if the listed entity has subsidiaries, it shall, while submitting annual audited standalone financial results also submit annual audited consolidated financial results</p> | <p>Due to non-availability of the financial statements of Subsidiary Company i.e. Meenakshi Energy Limited ("MEL") for the year ended 31st March, 2019 the financial statements of the same have not been considered in the consolidated financial results for the year ended 31st March, 2019.</p> | <p>The listed entity's investment of 381,15,06,509 shares in MEL representing 92.75% of MEL's equity shares, which were fully pledged with SBICAP Trustee Company Limited on behalf of the Lenders of MEL, was invoked on 2nd May, 2018. This matter and lender interchangeability is presently pending with the High Court of judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh and is sub-judice. The issuance of equity shares with Differential Voting Rights by MEL to the listed entity is also sub-judice and has been challenged by Rural Electrification Corporation Limited (being one of the Lead Lenders of MEL) before the National Company Law Tribunal, Hyderabad Bench. Pending outcome of the above judicial matters, MEL, being a Subsidiary, its accounts not yet compiled and accordingly listed entity has not consolidated MEL's account with its financials.</p> |

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.



- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

| Sr. No. | Action taken by | Details of violation | Details of action taken E.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any |
|---------|---|--|--|--|
| 1. | Securities and Exchange Board of India ("SEBI") | Whole Time Member, SEBI passed an ex-parte Interim order No. WTM/PS/08/CF D/JUNE/2013 dated 04th June, 2013 directing the listed entity to comply with the minimum public shareholding ("MPS") of 25% as specified in rule 19(2) and rule 19A of the Securities Contracts (Regulation) Rules, 1957 and clause 40A of the erstwhile Listing Agreements. | The ex-parte Interim order, among other things, prohibits the promoters/promoter group and directors from buying, selling or otherwise dealing in securities of their respective companies, except for the purpose of complying with MPS requirement until such time as the companies comply with the MPS requirement and also restrains the directors of non-compliant companies from holding any new position as a director in any listed company, until such time such companies comply with MPS requirement. | It has been informed by the Management that the Independent Directors on the Board of the listed entity, being aggrieved of the said order, filed suo-moto appeals before Securities Appellate Tribunal, Mumbai (hereinafter referred to as "SAT") against the restrictions imposed on them by the SEBI's ex-parte interim order dated 04th June, 2013 passed by the Whole Time Member. SAT after hearing the said application, vide its order dated 03rd April, 2019 amongst other observations stated that they are of the opinion that the Whole Time Member, SEBI has misinterpreted the orders of the Calcutta High Court and has committed an error in holding that the listed entity and its Directors, had not complied with the MPS requirement. SAT in their said order also noted that since SEBI approached the Calcutta High Court for modification of the Scheme it was no longer available to SEBI to restrain the Directors for non compliance of the MPS requirement. SAT thereafter vide its order dated 03rd April, 2019 held that the impugned ex-parte interim order dated 04th June, 2013 passed by the Whole Time Member, SEBI cannot be sustained and is quashed and the appeals were allowed. |



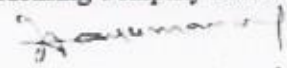
- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations of the Practising Company Secretary in the previous reports | Observations made in the secretarial compliance report for the year ended... <i>(The years are to be mentioned)</i> | Actions taken by the listed entity, if any | Comments of the Practising Company Secretary on the actions taken by the listed entity |
|----------------|--|--|--|--|
| Not Applicable | | | | |

For, H M Choraria & Co
Practising Company Secretaries



Place: Kolkata
Date: 23.05.2019


Proprietor:
(Hanuman Mal Choraria)
Name of the Practising Company Secretary
FCS No.: 2398
C P No.: 1499