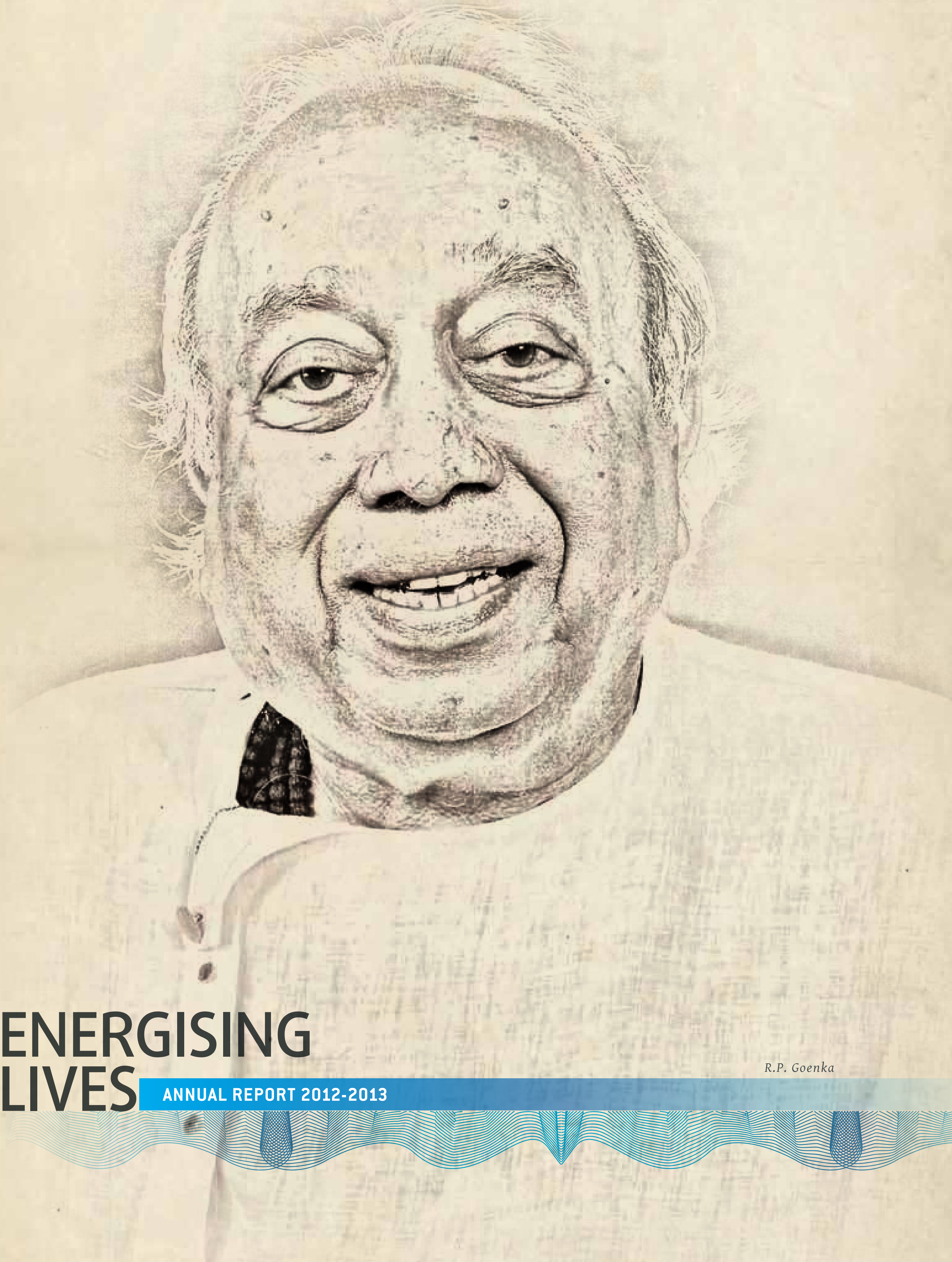
CESC LIMITED

RP - Sanjiv Goenka Group



R.P. Goenka

ENERGISING LIVES

ANNUAL REPORT 2012-2013

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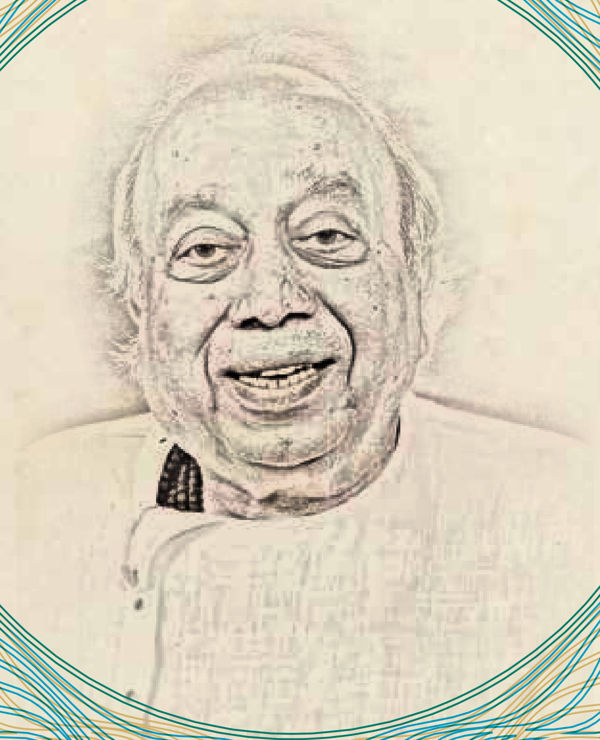
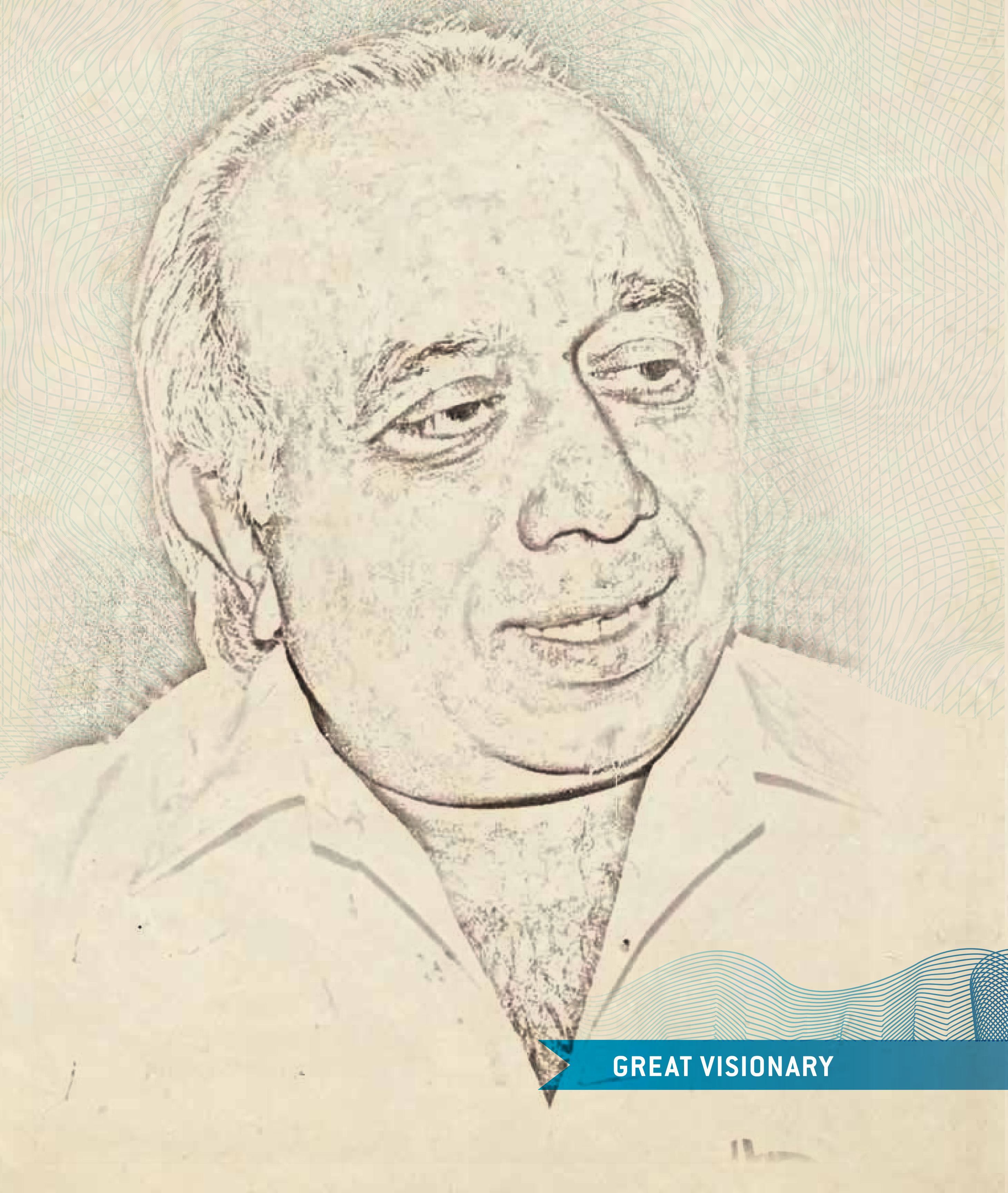


Rama Prasad Goenka
1930-2013

A Tribute



GREAT VISIONARY

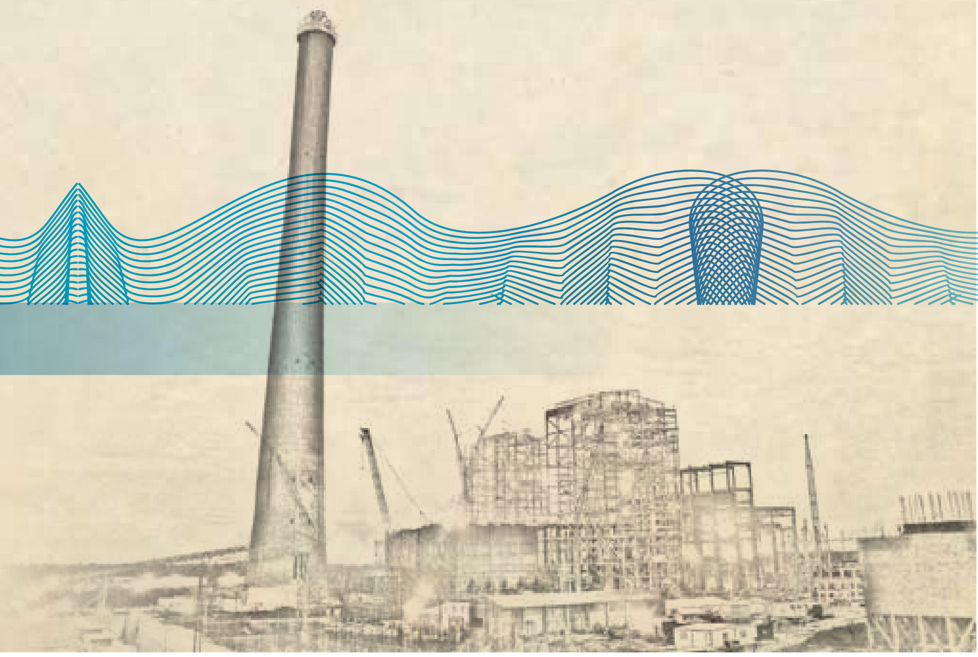
R.P. Goenka made a humble opening in 1979 with largely inherited companies — Phillips Carbon Black, Asian Cables, Agarpara Jute Mill and Murphy India. The empire now straddles across diverse sectors and several countries.

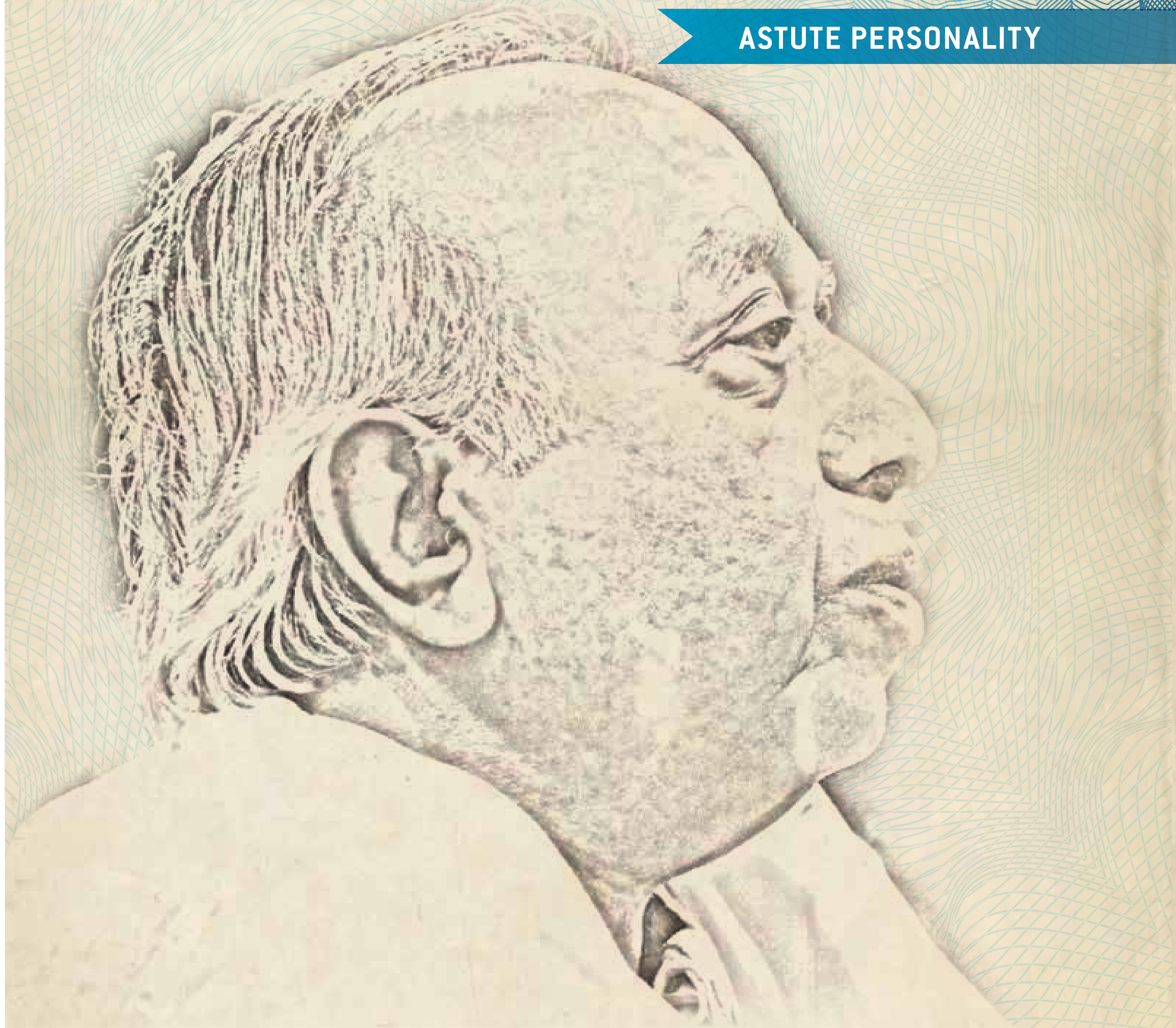
Born on 1 March 1930, Rama Prasad Goenka (RPG or Rama Babu as he was called) had business in his blood.

At the time, the place that we now call Kolkata was very much a British dominated metropolis called Calcutta where, despite the growing nationalist influence of Mahatma Gandhi and Netaji Subhas Chandra Bose, commerce was controlled by Scottish managing agencies who ran the jute mills, the tea plantations and the collieries of eastern India.

Even so, RPG's family was deep into the world of big business. His grandfather, Sir Badridas Goenka, was a prominent businessman and one of the city's most influential Marwaris — who had major interests in the jute trade and sat on the boards of many British run companies as well as the Imperial Bank of India. At the time of independence, RPG's father, Keshav Prasad Goenka, was among the first Indians to take over a large jute mill company, Anglo India, from the British.

Even as a young man, therefore, RPG knew the ins-and-outs of business and how to build a conglomerate. Which he did with great success. We all know of his major acquisitions, especially after establishing RPG Enterprises in 1979 — CESC, CEAT Tyres, the Gramophone Company of India, Dunlop, Spencers, KEC International and many more — which made him known as India's 'takeover king'. These are some of the many enterprises that he bought and then built.





ASTUTE PERSONALITY

Much is said about RPG's innate business instincts and his uncanny ability to almost instantly size up a situation or a person. Those were indeed true.

But there were many other sides to Rama Babu. The first has to do with what he thought and read. From his student days at the Presidency College, captivated by the history lectures of Sushobhan Sarkar and the bookshops of College Street, RPG became a lifelong bibliophile. You could sit with him in evenings in his book-lined study, sometimes in companionable silence but mostly in deep two-way conversation about several books, often at the same time. There were some from his generation of businessmen who read avidly. But few who could match the depth and voracity of Rama Babu.

His reading played a great role in his thought process. Much is said about RPG's innate business instincts and his uncanny ability to almost instantly size up a situation or a person. Those were indeed true. But it was equally true that the sophisticated manner in which he looked at the world had much to do with what he gained from his reading, especially political and social history and literature.

Rama Babu also had a great ability to make friends. If he admired or just plain liked you, it was a given that he would always be by your side, through thick and thin. Except in his last year, he kept in touch with a large network of friends — who cut through political lines and belonged to different professions, many from the world of music, letters and performing arts. It didn't matter what you did or where you came from. Except that you had to be interesting. With grace and sincerity. That determined his bonds with you. Forever.

There aren't many like him any more. May Rama Babu be in peace. In a place without pain. With many books. Old friends. And a thinking adda on demand.

Board of Directors
Sanjiv Goenka *Chairman*
Pradip Kumar Khaitan
Brij Mohan Khaitan
Srikandath Narayan Menon
Om Prakash Vaish
Chandra Kumar Dhanuka
Sanjay Kumar Pai *Nominee of IDBI Bank Limited*
Sumantra Banerjee *Managing Director*
Aniruddha Basu *Wholetime Director*

Company Secretary
Subhasis Mitra

Auditors
Lovelock & Lewes

Solicitors
Khaitan & Co
Sandersons & Morgans

Registered Office
CESC House
Chowringhee Square
Kolkata 700 001
Tel: 033-2225 6040 / 2204 0300
Fax: 033- 2225 5155
Email: secretarial@rp-sg.in
www.cesc.co.in

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

CESC HOUSE, KOLKATA

Dear Shareholder

Permit me to start with a personal message. In April this year, I lost my father, Shri Rama Prasad Goenka, who was the Chairman of your Company. Losing one's parents is hard — but the more so when the person happened to be my greatest teacher, adviser and friend.

If, in the years of chairing your Company, I can put to work all the things that I learnt from him, then I will have not only done him proud but also have done well for the future of CESC and you, the owners. Therefore, I ask for your blessings so that I can do what he did — to see clearly, act decisively, increase the value of the business, and discharge my obligations as a member of the wider community.

He would have been happy with where CESC is today. The results are better than before. Here is a quick snapshot for 2012-13.

Revenue from operations
₹ 5,317 crore
13.6% Increase

Earnings before interest, depreciation, taxes & amortisation (EBIDTA)
₹ 1,417 crore
12.6% Increase

Earnings before interest & taxes (EBIT)
₹ 1,111 crore
14.7% Increase

Profits after tax (PAT)
₹ 618 crore
11.6% Increase

He would have been happier still to see other aspects of your Company's growth. Let me touch upon a few.

In the power business, we are close to completing the new 2 x 300 MW thermal power project in Chandrapur (Maharashtra). Construction is also progressing well at Haldia (West Bengal) for another 2 x 300 MW thermal power project. As an entity, therefore, we seem to be well on track to get to our goal of having a pan-India footprint of thermal power plants, and to move towards the target of adding over 7,000 MW of generation capacity.

CESC operates four generating stations, which cumulatively produce 1,225 MW. Three of these stations use pulverised fuel (PF) as the primary energy source. I am happy to inform you that in FY2013, CESC's composite plant load factor of the three PF plants was over 86%, versus the national average of 70%.

Your Company continues with its success in substantially reducing, if not eliminating, power outages for its 2.7 million customers in Kolkata and Howrah. In the course of 2012-13, HT faults and restoration times reduced further — the former falling by more than half of what existed in 2007-08, and the latter by almost two-thirds.

Apart from these, CESC is carrying out projects to upgrade its distribution network, and enhance the network capacity and supply reliability for efficient handling of demand growth. Some of the major projects are:

- New substations, including a first-of-its-kind underground substation at Park Circus, and an indoor multi-tier gas insulated switchgear (GIS) substation in New Cossipore.
- Greater connectivity, involving major overhead transmission lines and river crossings.
- Automated meter reading, which began last year is now gathering pace.
- Modern Supervisory Control and Data Acquisition (SCADA) systems are being increasingly commissioned using optical fibre. SCADA provides a reliable method to remotely monitor and control substations and help in rapidly restoring power supply.

I am happy to inform you that in FY2013, CESC's composite plant load factor of the three PF plants was over 86%, versus the national average of 70%

As a utility company servicing over 2.7 million payers, establishing and maintaining high levels of customer service is an overarching objective of CESC. We have substantially redefined the customer relationship management (CRM) function. These involve providing key information to customers through SMS and e-mails; web enabled services such as billing, tracking of applications, downloading forms, bill payment through ECS and Net Banking, and RTGS / NEFT facility for High Tension commercial customers.

Let me now move on to the two other businesses under the consolidated entity of CESC Limited. These are retail and business process outsourcing (BPO).

RETAIL Spencer's Retail Limited (SRL) now has 132 stores across India under the Spencer's label, including 26 hypermarkets. Despite a difficult environment, SRL's efforts at improving profitability and controlling operating expenses resulted in improved performance. During 2012-13, it registered same store sales growth of over 16%, with an average revenue per square feet of ₹ 1,226 per month versus ₹ 1,060 in the previous year. Its operating losses came down from ₹ 140 crore in 2011-12 to ₹ 78 crore in 2012-13. It completed closing down unprofitable stores in smaller formats. Thus, 2013-14 will see SRL rolling out new stores in the hypermarket format, which will allow it to consolidate its presence in existing clusters.

BPO: During the year, Spen Liq Private Limited, a wholly owned subsidiary of CESC, purchased a majority stake in Firstsource Solutions Limited (FSL), India's fifth-largest BPO Company. FSL has a strength of around 31,000 people, spread across 47 delivery centres in India, the US, the UK, Ireland, Sri Lanka and the Philippines. It serves over 100 global clients — including 21 Fortune 500 companies and 9 FTSE 100 companies. This acquisition is in line with your Company's strategy to strengthen its presence in new businesses with major growth potential.

Thus, we reinforced our core operations in electricity generation, transmission and distribution. We increased efficiencies. We improved customer connect. We focused on fixing our retail business. We used IT to consolidate efficiencies and deliver superior services. We improved revenues and profits. And we made acquisitions for suitable diversifications

These would have pleased your erstwhile Chairman to no end.

My thanks to all your Company's employees who rank among the best anywhere. And to you for your good wishes and support.

Yours sincerely,

Sanjiv Goenka
Chairman

28 May 2013

Notice is hereby given that the Thirty-fifth Annual General Meeting of the Members of CESC Limited will be held at CITY CENTRE, Royal Bengal Room, DC Block, Sector-1, Salt Lake, Kolkata – 700 064, on Friday, 26 July 2013 at 10.30 A.M. for the following purposes :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31 March 2013, the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. B. M. Khaitan who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. P.K. Khaitan who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass with or without modification, the following Ordinary Resolution:
   "RESOLVED THAT the retiring Auditors, Messrs. Lovelock & Lewes (Firm Registration Number 301056E), be and they are hereby reappointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration of ₹ 45,00,000/- payable in two equal installments plus service tax and reimbursement of out-of-pocket expenses"

SPECIAL BUSINESS

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

6. AS AN ORDINARY RESOLUTION

"RESOLVED THAT in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 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) Union Bank of India (UBoI) for two term loans aggregating ₹ 225 crore;

b) HDFC Bank Limited (HDFC) for two term loans aggregating ₹ 275 crore;

c) State Bank of India (SBI) for its term loan of ₹ 350 crore; and

d) YES Bank Limited (YBL) for its incremental share of ₹ 70 crore in the working capital facility extended to the Company by the consortium of Banks;

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 UBoI, HDFC and SBI (collectively referred to as "the Term Lenders") and YBL in terms of their respective letters of sanction, loan agreements, facility agreements, hypothecation agreements, or any other agreement or any amendment thereto entered / to be entered into by the Company with all or any of the Term Lenders and YBL 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 YBL.

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

7. AS AN ORDINARY RESOLUTION

"RESOLVED THAT Mr Aniruddha Basu be and is hereby appointed a Director of the Company."

8. AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereof, the Company hereby accords approval to the appointment of and the remuneration payable to Mr. Aniruddha Basu as Wholetime Director of the Company for the period from 28 May 2013 to 31 July 2013 and as Managing Director of the Company from 1 August 2013 till 27 May 2018 on the terms and conditions contained in a letter to be issued to Mr. Basu in terms of the draft placed before the Meeting and initialled by the Chairman for the purpose of identification."

9. AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to such permissions, sanctions and approvals as may be necessary including the approval of the Central Government, consent of the Company be and is hereby accorded for payment of commission to directors who are neither in the whole time employment of the Company nor its managing director provided that the total commission paid to all of such directors together shall not exceed three per cent of the net profits of the Company computed in the manner stated in Section 198(1) of the Act in respect of each of the five financial years commencing from 2013-14 to be distributed amongst the said Directors in such manner as the Board of Directors of the Company ("the Board") and /or 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 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 Remuneration Committee of the Board be and are 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."

10. AS A SPECIAL RESOLUTION

"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors ('the Board') for delisting the equity shares of the Company from London Stock Exchange from such date as the Board or any Committee constituted by the Board ('the Committee') may decide AND THAT the Board or the Committee be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary AND FURTHER THAT, upon the said delisting, the UK Register of Members of the Company be closed and equity shares registered therein be transferred to the Register of Members maintained in India AND FURTHER THAT the Board or the Committee do take such steps and seek such approvals as may be required for all or any of the aforesaid matters in conformity with applicable laws and regulations."

The Register of Members of the Company at Kolkata will remain closed from 12 July 2013 to 26 July 2013, both days inclusive.

Registered Office:	By Order of the Board
CESC House	
Chowringhee Square	
Kolkata – 700 001	Subhasis Mitra
28 May 2013	Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the time for holding the Meeting.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business under items 6 to 10 of the Notice is annexed hereto.

3. If the dividend as recommended by the Board of Directors is declared at the Meeting, it will be payable to those shareholders whose names appear on the Company's Register of Members, or, who are notified as beneficiaries by the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited at the close of business on 11 July, 2013.

4. Members holding shares in physical form may intimate the Company of necessary particulars for NECS credit of the dividend directly to their bank accounts wherever NECS facility is available, or, for printing of their bank account details on the dividend warrants to prevent possibilities of fraud in encashing the warrants. For this purpose, members are requested to fill in the form appended to the Attendance Slip sent with the Report and Accounts for 2012 -13 and send the filled in Form to the Secretarial Department of the Company latest by 11 July, 2013. In respect of the shareholdings in demat form, any change in the Bank particulars should be intimated to the Depository Participants (DP) immediately so that the changed particulars may be used for dividend payment. Any change in the particulars of shareholders holding shares in electronic form is to be notified to the DP only.

5. CESC is committed to making efforts for preserving the environment and has been working on a number of ways to reduce usage of paper. In line with the circular of the Ministry of Corporate Affairs, Government of India, the Company proposes to send to the Members notices, annual reports and accounts and other communication through electronic mode. Members are, therefore, requested to update their e-mail address with the Depository Participant if the holding is in electronic mode or intimate the Company by sending an e-mail at greeninitiative@rp-sg.in. Copies of all such communication can also be obtained in physical form from the Company free of cost, upon request.

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

MR. B. M. KHAITAN, 85 years of age, is a renowned industrialist having interest in tea, batteries and engineering industries. Mr. Khaitan has made significant contributions to the tea industry with which he has been associated for over five decades.

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

Mr. Khaitan is an independent Director and does not hold any share in the Company.

MR. P. K. KHAITAN, 72 years of age, is a solicitor and advocate and has extensive experience in the fields of commercial and corporate law, tax law, arbitration, foreign collaborations, mergers and acquisitions, restructuring and de-mergers. He is a senior partner of Khaitan & Co., an eminent firm of 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, is a member of its Finance & Forex Committee and Project Committee.

Mr. Khaitan is the Chairman of Dalmia Bharat Limited, Electrosteel Castings Limited and OCL India Limited.

He is a Director of Dhunseri Petrochem & Tea Limited (also member of its Remuneration Committee), Gillanders Arbuthnot & Co. Limited (also member of Remuneration Committee and Shareholders and Investors' Grievance Committee), Graphite India Limited (also Chairman of Remuneration Committee and member of Committee for Borrowings), Hindustan Motors Limited (also member of Executive Committee, Investors' Grievances Committee and Remuneration Committee), India Glycols Limited, Pilani Investment & Industries Corporation Limited (also member of Audit Committee), Saregama India Limited, TCPL Packaging Limited, Visa Steel Limited (also member of Remuneration Committee, Finance & Banking Committee and Selection Committee), Warren Tea Limited, Woodlands Multispeciality Hospital Limited (also Chairman of Share Allotment Committee) and Egyptian Indian Polyester Company SAE.

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

MR. ANIRUDDHA BASU, 53 years of age, is an Electrical Engineer and has been in the employment of the Company for 29 years. He has successfully undertaken a series of important assignments in the Distribution division of the Company like loss control, customer centricity, network development etc. and has vast experience in critical areas of functioning of the Company. Before joining the Board of Directors of the Company, Mr. Basu was its Executive Director in charge of mains and commercial functions.

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE THIRTY-FIFTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 26 JULY, 2013

Item No.6

In order to finance a part of its capital expenditure requirements, the Company has availed of financial assistance from Union Bank of India (UBoI) for an aggregate amount of ₹ 225 crore, HDFC Bank Limited (HDFC) for an aggregate amount of ₹ 275 crore and State Bank of India (SBI) for a sum of ₹ 350 crore (UBoI, HDFC and SBI are hereinafter collectively referred to as 'the Term Lenders').

In addition, YES Bank Limited (YBL) has increased its working capital exposure in the Company by ₹ 70 crore.

The above loans and the working capital facility, as per their respective terms of sanction, are required to be secured by mortgage / charge over the Company's immovable and movable properties in the form and manner required by the Term Lenders and YBL.

The Ordinary Resolution set out under Item No. 6 of the Notice is for obtaining the approval of the Members in terms of the provisions of Section 293(1)(a) of the Companies Act, 1956 to enable the Company to create the aforesaid mortgage and / or charge. The Board of Directors of the Company recommends that the Resolution be passed.

None of the Directors of the Company is concerned or interested in the Resolution.

Item No.7

Mr. Aniruddha Basu was appointed an additional director of the Company with effect from 28 May 2013 pursuant to the provisions of Section 260 of the Companies Act, 1956, ("the Act") read with Article 104 of the Articles of Association of the Company.

Mr. Basu holds office as Additional Director up to the date of forthcoming Annual General Meeting as per the aforesaid provisions. The Company has received a Notice in writing from a Member along with the requisite deposit of money proposing the candidature of Mr. Basu for the office of Director under the provisions of Section 257 of the Act.

The Board recommends the Resolution set out under Item No. 7 of the Notice for approval of the Members.

Mr. Basu may be deemed to be concerned or interested in the said Resolution. None of the other Directors of the Company has any concern or interest in the said Resolution.

Item No. 8

Mr. Aniruddha Basu was appointed by the Board of Directors ('the Board') as an additional director of the Company with effect from 28 May 2013 with the designation 'Wholetime Director' from the said date till 31 July 2013 and as Managing Director of the Company from 1 August 2013 till 27 May 2018 subject to necessary approval of the shareholders in general meeting.

The proposed appointments and the terms of remuneration are in accordance with the conditions specified in Schedule XIII to the Companies Act, 1956 ('the Act').

Mr. Basu is an Electrical Engineer and has undergone a Management course at Indian Institute of Management, Calcutta. He joined the Company on 1 June 1984. During the long period of 29 years, he has successfully handled a series of important assignments in the areas of electricity distribution system spread across the Company's licensed area, upgradation of consumer service as also loss control and other initiatives. He was an Executive Director of the Company before his induction on the Board.

The terms and conditions governing the appointments referred to above as Wholetime Director for the period 28 May 2013 to 31 July 2013 and as Managing Director from 1 August 2013 till 27 May 2018 are contained in a letter proposed to be issued by the Company to Mr. Basu. The principal terms and conditions set out in the draft of the aforesaid letter are as follows:

1. Salary : ₹ 2,45,000 per month with an annual increment of ₹ 30,000 effective from 1 April.
2. Variable Pay : An annual sum not exceeding ₹ 48 lakhs as may be decided by the Remuneration Committee of the Board.
3. Residential accommodation or house rent allowance in lieu thereof in accordance with the rules of the Company.
4. Perquisites : Mr Basu will be entitled to the usual perquisites / benefits like gas, electricity, water and furnishings, medical expenses reimbursement, leave travel concession for self and family, club memberships, personal accident insurance and provision of furniture and equipment at the residence and other benefits / allowances in accordance with the rules of the Company subject to a limit of ₹ 55 lakhs per annum on such perquisites / benefits.

   For the purpose of computation of the aforesaid limit, the following benefits / perquisites shall not be considered: (i) the Company's contribution to Provident Fund and Superannuation Fund, (ii) encashment of leave at the end of the tenure, and (iii) payment of Gratuity at a rate not exceeding half a month's salary for each completed year of service. The proposed remuneration of Mr. Basu will be subject to a limit of 5% of the annual net profits of the Company. In the event of loss or inadequacy of profits of the Company in any financial year, the aforesaid remuneration and perquisites / benefits will be paid to / enjoyed by Mr. Basu subject to such approval as may be necessary.

5. Leave : Leave on full pay and allowances as per rules of the Company, but not exceeding one month's leave for every eleven months of service.

Mr. Basu will be reimbursed by the Company of all entertainment and other expenses actually incurred for the business of the Company subject to such limits as may be fixed by the Remuneration Committee of the Board from time to time.

Mr. Basu does not have any interest in the capital of the Company, directly or indirectly and does not have any direct or indirect interest and has not been related to any of the directors or promoters of the Company at any time before or on the date of his appointment and has necessary qualification with expert and specialized knowledge in the field of his profession.

The Resolution set out in Item No. 8 of the Notice has to be considered accordingly and the Board recommends that the same be passed.

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

Mr. Basu may be deemed to be interested in the Resolution under Item No. 8 and no other Director of the Company has any interest therein.

The above may be considered also as an Abstract of the terms and Memorandum of Interest in terms of Section 302 of the Act relating to the contract to be entered into by the Company with Mr. Basu governing the appointment stated aforesaid.

Item No. 9

In accordance with the approval accorded by the Members at the Thirtieth Annual General Meeting of the Company and as approved by the Central Government, the Directors of the Company, other than the Managing Director, are collectively paid Commission at a rate of one percent per annum of the net profits of the Company computed in the manner laid down in Section 198(1) of the Companies Act, 1956 ('the Act'). The said approval was for a period of five years commencing from the year 2008 – 09.

However, approval of the Central Government is awaited for payment of the said Commission for each of the years 2011-12 and 2012-13 at a rate of three percent per annum of the said net profits of the Company as approved by the Members in the thirty-fourth Annual General Meeting of the Company.

In view of the significantly enhanced role of the Board of Directors ('the Board') in recent times in guiding the operations of the Company in new areas across India, and its far greater involvement in the business of the Company, it is proposed to pay, subject to necessary approvals, Commission to the Directors of the Company other than the Managing Director or any Whole-time Director at a rate of three percent of its net profits for each of the five years commencing from 2013 -14. Such Commission will be distributed amongst the said Directors in such manner as the Board and / or the Remuneration Committee constituted by the Board may from time to time determine. The Resolution set out under Item No. 9 of the Notice may be considered accordingly. The Board recommends that the Resolution be passed.

Save and except Mr. S. Banerjee, Managing Director, and Mr. Aniruddha Basu, Wholetime Director, all other Directors of the Company may be deemed to be concerned or interested in the Resolution to the extent of the Commission that each of them may receive in future.

Item No. 10

Equity shares of the Company are listed on London Stock Exchange ('LSE') apart from being listed on a number of stock exchanges in India. The Company has also been maintaining two Registers of its Members - one in India as the principal register and the other one in the UK as the branch register. Shares registered on the UK Register are transferable between the UK residents without specific approval of Reserve Bank of India.

Only about 1% of the total issued equity shares of the Company are currently listed on LSE. With the passage of time, the market of the Company's shares in the United Kingdom has practically frozen and the number of dealings in the said shares in recent years has been very few. Out of about 40,000 shareholders the Company has as on date, the number of shareholders registered on the UK Register is only around 200.

In the above background, it is felt that no useful purpose is being served by continuing with the LSE listing and steps should be taken for delisting the said shares. Upon delisting of the aforesaid shares from LSE, the Company will continue to service its UK shareholders in conformity with the prevalent laws and regulations applicable to such shareholdings.

The Board of Directors recommends that the Resolution be passed. None of the Directors is concerned or interested in the Resolution.

Registered Office:
CESC House
Chowringhee Square
Kolkata – 700 001.

By Order of the Board

Subhasis Mitra
Company Secretary

28 May 2013

The Directors have pleasure in presenting the Annual Report and Audited Accounts of CESC Limited for the year ended 31 March 2013.

FINANCIAL RESULTS

₹ in Crore

Particulars	2012-13	2011-12
Revenue from operations	5317.10	4680.54
Other Income	92.69	101.31
Total Income	**5409.79**	**4781.85**
Profit Before Depreciation & Taxation	1079.71	982.79
Depreciation	(306.21)	(289.48)
Taxation	(155.00)	(139.00)
Profit before transfer to Reserves	**618.50**	**554.31**
Profit brought forward from previous year	**244.02**	**190.41**
Reserve for unforeseen exigencies	(31.88)	(28.10)
General Reserve	(500.00)	(400.00)
Proposed Dividend @ ₹ 7 per Equity Share & tax thereon	(102.32)	(72.60)
Leaving a balance carried forward	**228.32**	**244.02**

PERFORMANCE OVERVIEW

During the year under review, the Company's revenue from operations increased by 13.6% over last year to reach ₹ 5317.10 crore. Including other income, total income grew by 13.13% from ₹ 4781.85 crore in 2011-12 to ₹ 5409.79 crore in 2012-13. Profit before depreciation and taxation (PBDT) grew by 9.86% to ₹ 1079.71 crore during the year. After providing for depreciation of ₹ 306.21 crore and taxation of ₹ 155 crore, the profit after taxes (PAT) for 2012-13 stands at ₹ 618.50 crore, which reflects a 11.58% increase over ₹ 554.31 crore during 2011-12.

A detailed review of the operations for the year ended 31 March 2013 is given in the Management Discussion & Analysis, which forms a part of this Report.

DIVIDEND

The Board is pleased to recommend payment of equity dividend for the year ended 31 March 2013 at the rate of ₹ 7 per share on the paid-up equity share capital as on that date (₹ 5 per share in 2011-12). The dividend is proposed to be paid to those shareholders whose names appear in the Register of Members of the Company, or appear as beneficial owners as per particulars furnished by the Depositories at the close of business on 11 July 2013. No tax on the said dividend will be payable by the shareholders - as required, the Company will pay appropriate tax thereon.

SUBSIDIARIES

At the beginning of the year, CESC had twelve subsidiaries: Spencer's Retail Limited, Au Bon Pain Cafe India Limited, Music World Retail Limited, CESC Infrastructure Limited, Haldia Energy Limited, Dhariwal Infrastructure Limited, Surya Vidyut Limited, CESC Properties Limited, Metromark Green Commodities Private Limited, Nalanda Power Company Limited, CESC Projects Limited and Bantal Singapore Pte Limited.

During the year, the Company added seventeen subsidiaries.

- Papu Hydropower Projects Limited and Pachi Hydropower Projects Limited became the subsidiaries of the Company with effect from 16 May 2012.
- Spen Liq Private Limited became a subsidiary of the Company on 9 October 2012.
- Firstsource Solutions Limited along with its twelve subsidiaries: Firstsource Group USA, Inc, Firstsource BPO Ireland Ltd, Firstsource Solutions UK Ltd, Anunta Tech Infrastructure Services Ltd, Firstsource-Dialog Solutions Pvt. Ltd., MedAssist Holding Inc., Firstsource Business Process Services, LLC, Firstsource Solutions USA, LLC, Firstsource Advantage, LLC, Firstsource Transaction Services, LLC, Twin Lakes Property LLC (Twinlakes-I) and Twin Lakes Property LLC (Twinlakes-II), became subsidiaries of your Company with effect from 5 December 2012.
- Ranchi Power Distribution Company Private Limited became a subsidiary of the Company with effect from 12 November 2012.

As on 31 March 2013, CESC had twenty nine subsidiaries. Broad details of operations of these subsidiaries are given in the section 'New Projects and Initiatives' under 'Power Business' and the section 'Other Businesses' in the Management Discussion & Analysis, which forms a part of this report.

In accordance with the general exemption granted by the Central Government under Section 212(8) of the Companies Act, 1956, ('the Act') the accounts of the subsidiaries for the year 2012-13 and the related detailed information will be made available to the holding and subsidiary companies' shareholders seeking such information at any point of time and are not attached. Copies of the annual accounts of the subsidiary companies will also be kept open for inspection by any shareholder at the Registered Office of the Company and of the subsidiary companies concerned. The Company shall furnish a hard copy of accounts of subsidiaries to any shareholder on demand. The Company publishes Consolidated Financial Statements of the Company and its subsidiaries duly audited by Messrs. Lovelock & Lewes, Auditors, prepared in compliance with the applicable Accounting Standards and the Listing Agreements with the Stock Exchanges. The Consolidated Financial Statements for the year 2012-13 form a part of the Annual Report and Accounts.

CESC is concerned about the environment and takes various steps for its protection. In line with the decision of the Ministry of Corporate Affairs, Government of India, the Report and Accounts and other communication from the Company are sent to the shareholders by e-mail, wherever such addresses are registered with the Company.

PROJECTS

Several projects are being pursued by various subsidiaries of the Company – thermal generation projects at Haldia in West Bengal, Chandrapur in Maharashtra and Bhagalpur in Bihar, wind power project at Rajasthan and hydro-electric projects at Arunachal Pradesh. Details on these projects have been provided in the relevant sections of the Management Discussion & Analysis, which forms a part of this report.

DIRECTORS

The Board regrets to record the sad demise of Dr. R.P. Goenka on 14 April 2013. Dr. Goenka was a Director of the Company since 29 April 1989 and Chairman of the Board since 1991. The Board has placed on record its deep appreciation for the very valuable contribution made by Dr. Goenka to the Company during his unparalleled stewardship over a long period of more than two decades. Mr. Sanjiv Goenka was appointed Chairman of the Board of Directors with effect from 28 May 2013.

Mr. S.K. Pai replaced Mr. S.K.V. Srinivasan as the nominee of IDBI Bank Limited with effect from 15 January 2013.

In terms of the provisions of Section 256, read with Section 255 of the Act and Article 102 of the Articles of Association of the Company, Mr. B.M. Khaitan and Mr. P. K. Khaitan, Directors, retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment. Necessary resolutions for seeking approval of the Members have been incorporated in the notice of the forthcoming Annual General Meeting.

The Board of Directors has appointed Mr Aniruddha Basu as an additional director with the designation 'Wholetime Director' of the Company with effect from 28 May 2013. The Board has also decided that subject to requisite approval of the shareholders, Mr. Basu will be appointed as the Managing Director from 1 August 2013 till 27 May 2018. He will take over from Mr. Sumantra Banerjee, whose term as Managing Director expires on 31 July 2013. The Board placed on record its appreciation for the valuable contribution made by Mr. Banerjee as its Managing Director over a long period of two decades.

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

LISTING

The equity shares of the Company continued to be listed during the year at the BSE Limited (BSE), the National Stock Exchange of India Limited (NSE), the Calcutta Stock Exchange Association Limited (CSE) and the London Stock Exchange.

The Company has paid the requisite listing fee to the Stock Exchanges up to the financial year 2013 -14.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Act, your Directors hereby state and confirm that:

i) in the preparation of annual accounts for the financial year ended 31 March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and of the profit for the period from 1 April 2012 to 31 March 2013;

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts for the financial year ended 31 March 2013 have been prepared on a going concern basis.

CORPORATE GOVERNANCE

A report on Management Discussion and Analysis is also attached herewith (Annexure 'A'). A separate Report on Corporate Governance (Annexure 'B'), along with Additional Shareholder Information (Annexure 'C'), as prescribed under the Listing Agreement with the Stock Exchanges, are annexed as a part of this Report along with the requisite Auditor's Certificate thereon.

FIXED DEPOSITS

The Company, during the year, has not accepted any deposits within the meaning of Section 58A of the Act and, as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet. 246 deposits aggregating ₹ 0.47 crore remained unclaimed as on 31 March 2013.

AUDITORS

Messrs. Lovelock & Lewes, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment. The Company has received a letter from the Statutory Auditors to the effect that their reappointment, if made at the forthcoming Annual General Meeting, would be within the limits prescribed under Section 224 (1B) of the Act.

COST AUDIT

Messrs. Shome & Banerjee, Cost Accountants, were reappointed to conduct the audit of the cost accounting records of the Company for the year under review. The due date and the actual date of filing of cost audit report for the year under review were 28 February 2013 and 8 December 2012 respectively.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, research & development, technology absorption and foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure 'D', forming a part of this Report.

PARTICULARS OF EMPLOYEES

The information as required in accordance with Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975, as amended, is set out in an annexure to this Report. However, as per the provisions of Section 219(1) (b) (iv) of the Act, the Report and the Accounts are being sent to all the Shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company. The said information is also available for inspection at the Registered Office during working hours up to the date of the Annual General Meeting.

INDUSTRIAL RELATIONS

Industrial relations in your Company, during the year, continued to be cordial. A detailed section on the Company's Human Resource initiatives is attached in the Management Discussion & Analysis.

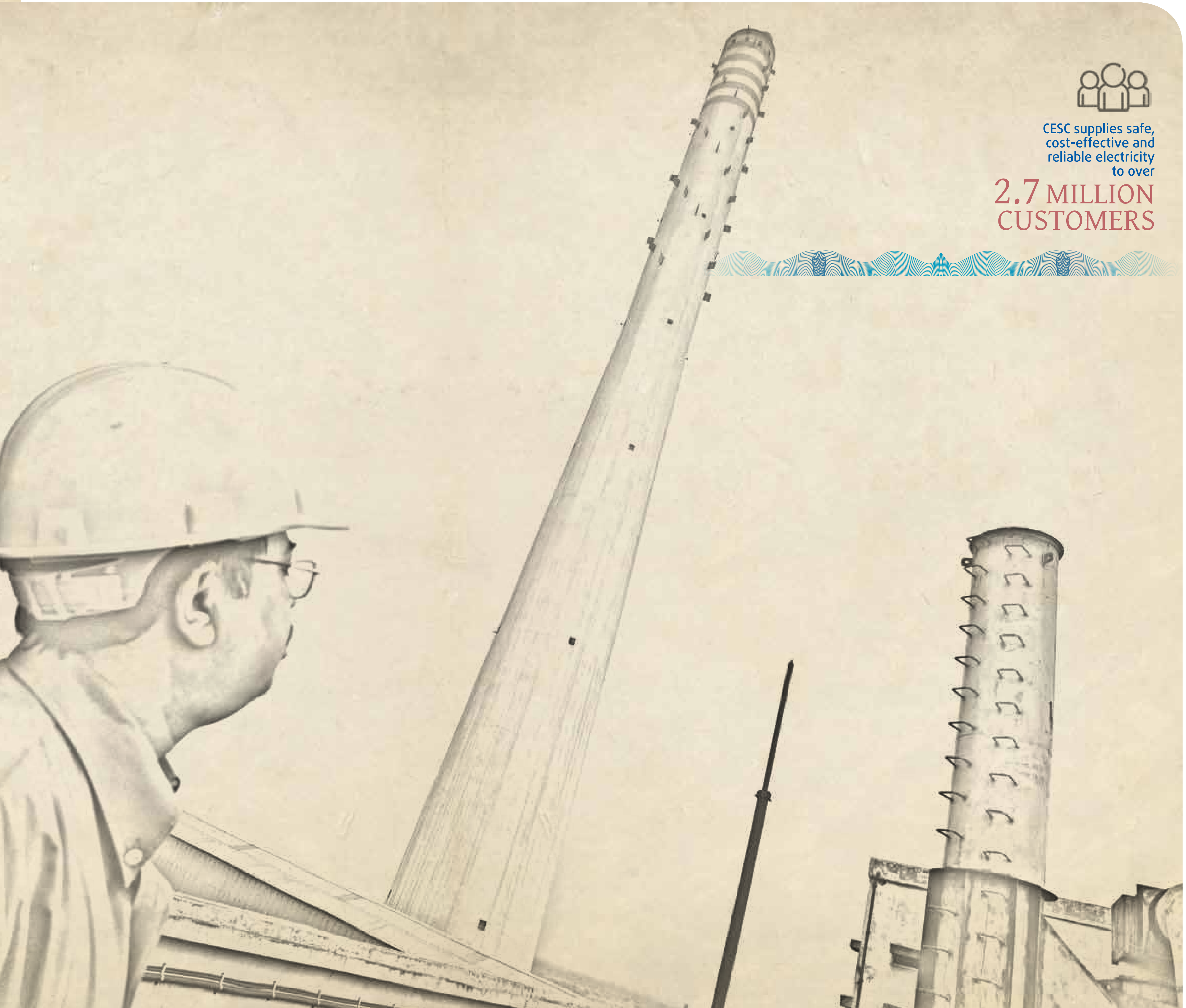
ACKNOWLEDGEMENT

The Board wishes to place on record its sincere appreciation for the continued assistance and support extended to your Company by its consumers, banks, vendors, Government authorities and employees.

Your Directors are also grateful for your continued encouragement and support.

On behalf of the Board of Directors

Sanjiv Goenka
Kolkata, 28 May 2013 Chairman



CESC Limited ('CESC' or 'the Company), is the flagship company of the RP-Sanjiv Goenka Group (the 'Group'). Registered in 1897, the Company is a fully integrated power utility engaged in the generation and distribution of electricity across 567 square kilometres of licensed area in Kolkata and Howrah, West Bengal. It supplies safe, cost-effective and reliable electricity to over 2.7 million customers.

Apart from spearheading the Group's interest in the power sector, the Company, through its subsidiaries, is also active in the organised retail, BPO and infrastructure sectors as a part of its strategy for diversification and long-term growth.

This chapter presents an overview of the energy sector as well as details of operational and financial performance of the Company. It also discusses important initiatives taken by CESC and its subsidiaries during the year to achieve its growth and performance objectives.

ECONOMIC OVERVIEW

GLOBAL ENERGY OUTLOOK

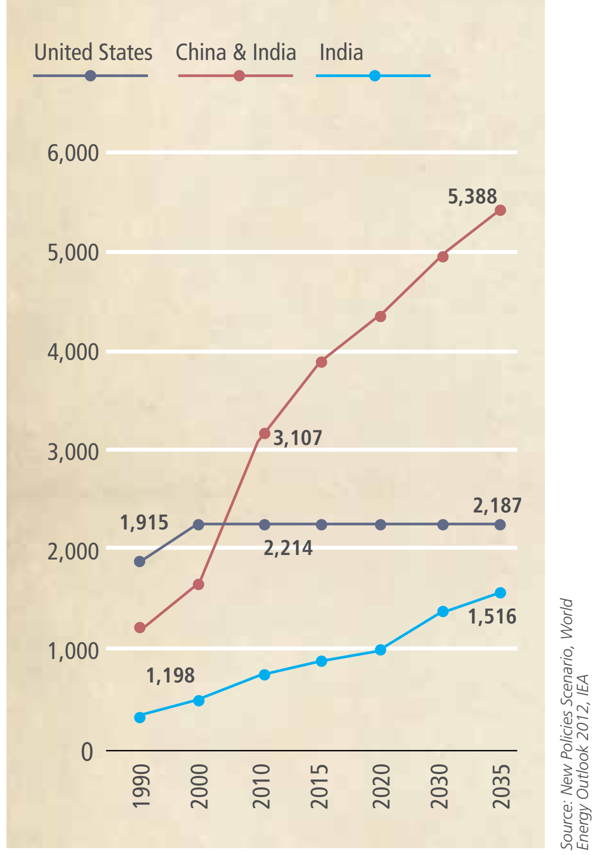
The global energy market continued to witness structural changes which could have significant implications for long-term outlook for the sector. First, there has been a resurgence in oil and gas production in the US, where upstream technologies are unlocking light tight oil and shale gas resources. This has stimulated economic activity — with less expensive gas and electricity prices improving the competitiveness of the industry — and is steadily changing the role of North America in global energy trade. Not only is the US expected to become the largest oil producer by 2020, but it is also projected to become a net exporter of oil around 2030. Second, this change is even more significant as a result of retreat from nuclear power in some countries — as a policy response after the incident in Fukushima, Japan, in March 2011. Third, high oil prices continue to affect economic growth. Equally, fossil fuel subsidies continue to mount and affect government's ability to respond to the challenging macroeconomic scenario.

In this situation, the uncertainty around policy commitment to greater energy efficiency continues to persist. As far as demand for energy is concerned, emerging economies continue to drive the global markets. According to the World Energy Outlook 2012, world primary energy demand under the 'New Policies Scenario' will grow by around 4,467 million tonnes of oil equivalent (Mtoe) between 2010 and 2035 — a CAGR of 1.2% *(Chart A)*. As expected, the demand in non-OECD countries will grow much faster, and will account for 93.5% of this increase in energy demand.

CHART A: WORLD PRIMARY ENERGY DEMAND (MTOE)

More important, over 50% of this increase will come from China and India, which along with the US, are the top three consumers of energy in the world. Energy demand from China and India is expected to surge during this period to

CHART B: COMPARATIVE ENERGY DEMAND (MTOE)

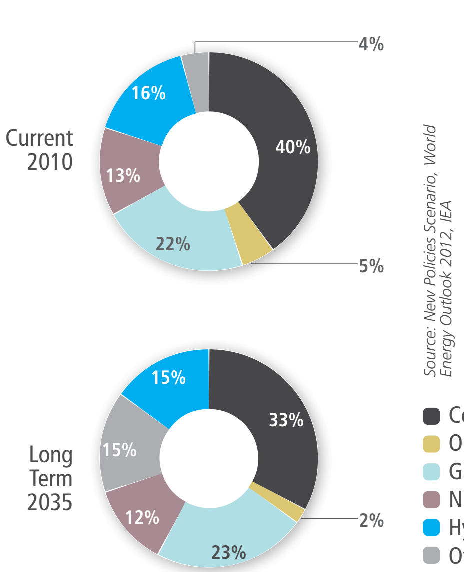


5,388 Mtoe *(Chart B)*. As a result, by 2035, these two countries will account for 31% of global energy demand, up from 16.4% in 2000 and 24.4% in 2010.

Fossil fuels — coal, oil and gas — are the dominant source of energy, meeting around 81% of energy demand. While this dominance is expected to continue, their share is estimated to come down to around 75% by 2035. However, recent developments in the US oil and gas exploration, and indeed similar trends in some other countries, pose fresh questions on the pace of this decline.

The situation of the power sector, which accounts for 53% of the increase in global primary energy demand, is not much different. Coal remains the leading fuel for generating electricity, accounting for 40% of total power generation, followed by gas, hydro and nuclear. Capacity addition of 4,162 GW in the power sector is projected between 2010 and 2035.

CHART C: GLOBAL ELECTRICITY GENERATION OUTLOOK



Securing supplies of coal and building technology capabilities in the use of renewable sources of energy- especially wind and solar- will continue to dominate the global energy agenda in the future.

As shown in *Chart C*, this dominance of coal is expected to continue, although its share will come down in the long term with policies favouring the use of other renewable sources such as solar, geothermal and wind.

Overall, it is quite clear that even as coal continues to be the primary fuel for the generation of power, renewable sources will be the biggest beneficiary in the medium to longer term. Hydro and other renewable sources will account for around 30% of the total generation as compared to 33% from coal. To that extent, securing supplies of coal and building technology capabilities in the use of renewable sources of energy — especially wind and solar — will continue to dominate the global energy agenda in the future.

INDIA'S POWER SCENARIO

Regarding the Indian power sector, 2012-13 was another year of subdued activity. A positive development was that the generation capacity targets were met — adding 20.6 GW against a target of 17.9 GW. The private sector added 11.3 GW compared to its target of 7.3 GW. In contrast, the Central and the State sectors achieved 80.9% and 98.3% of their respective targets. The addition of transmission and distribution infrastructure was also satisfactory. With these capacity additions, generation capacity in India stood at 223 GW at the end of the year. *Table 1* gives the details.

TABLE 1: POWER GENERATION CAPACITY IN INDIA: 2012-13, BY FUEL SOURCE

Fuel	MW	% Share	Growth (%)
Coal	130,221	58.3%	16.2%
Gas	20,110	9.0%	9.4%
Diesel	1,200	0.5%	0.0%
Thermal	**151,530**	**67.8%**	**15.1%**
Nuclear	4,780	2.1%	0.0%
Hydro	39,491	17.7%	1.3%
Others	27,542	12.3%	12.4%
Total	**223,344**	**100.0%**	**11.7%**

Source: Central Electricity Authority

Given that coal accounts for 58.3% of the total generation capacity in India, the bigger worry for the power sector in recent times has been availability of coal, not just for the new projects, but also for existing plants. At the end of the year, 21 thermal power plants had a critical coal stock of less than seven days. With domestic coal availability virtually stagnant, imports have been increasing significantly over the years—from 24.9 mtoe in 2006-07 to 54 mtoe in 2011-12. This is further expected to increase to 90 mtoe by 2016-17. Given the growing importance of India in the global market for coal, this rise in demand has pushed up global prices — increasing not only the cost of generation, but also the uncertainty of availability.

TABLE 2: POWER DEMAND AND DEFICIT: 2012-13

Region	Peak Demand (MW)	Peak Met (MW)	Deficit	Deficit %
Northern	45,860	41,790	-4,070	-8.9
Western	40,075	39,486	-589	-1.5
Southern	38,767	31,586	-7,181	-18.5
Eastern	16,655	15,415	-1,240	-7.4
North-Eastern	1,998	1,864	-134	-6.7
All India	135,453	123,294	-12,159	-9.0

Even with recent addition of capacities, the shortfall in generation and transmission capacities is far from over. During 2012-13, the all-India peak demand for power was 135 GW of power, whereas the actual power met was 123 GW – a shortfall of 9% (see Table 2). The southern region was the worst affected in terms of power availability.

By 2016-17, demand for power is expected to increase to 1,403 billion units — up from 998 billion units in 2012-13. This assumes energy conservation and demand-supply measures, without which demand is expected to be even higher. Accordingly, the Twelfth Five Year Plan (2012-2017) estimates an additional capacity requirement of 88.5 GW, 53% of which is expected to come from the private sector — up from 19% in the Eleventh Five Year Plan. This will need to be complemented with adequate transmission and distribution capacities.

Overall, the power sector in India is at the crossroad. Bringing in the private sector has led to investments and stepped up growth possibilities. Equally, privatisation of distribution utilities has increased efficiency resulting in better reliability of supply and quality of services. But, for this to continue, there is an urgent need to address the policy challenges — be it availability of coal and gas, or mounting losses of distribution utilities — which have cascading effects on the health and outlook for the entire sector. Also, greater focus needs to be accorded to alternative and renewable sources of fuel such as hydro, solar and wind to have a balanced portfolio of generation capacities in the longer term.

POWER BUSINESS

CESC's existing operations in the power sector comprise generation and distribution of electricity to its 2.7 million customers across its licensed areas in Kolkata and Howrah, West Bengal. The Company and its subsidiaries are actively pursuing a multi-pronged strategy for future growth of the Group's power business. This requires it to:

- Achieve a pan-India footprint by implementing coal and gas based thermal plants. This will add over 7,000 MW of generation capacity and will be complemented with efforts to secure fuel supplies both in India and abroad.
- Make conscious efforts to build capabilities and a portfolio of projects based on alternative and renewal sources such as solar as well as hydro-electric.
- Leverage its expertise in distribution by taking up opportunities in privatisation of distribution franchisees as and when these appear.

During the year, the Company successfully moved ahead with the execution of this strategy.

First, it is close to completing its new 2 x 300 MW thermal power project in Chandrapur (Maharashtra). Construction is also in progress at Haldia (West Bengal) for another 2 x 300 MW thermal power project. Other new projects are in different stages of planning and approvals.

Second, the Company has acquired two hydro-electric projects in Arunachal Pradesh during the year with a combined capacity of 146 MW. It also started commercial production at its first wind power project in Rajasthan.

Third, the Company was chosen to operate the distribution franchisee for Ranchi, Jharkhand. Further details have been provided in the section on 'New Projects and Initiatives'.

For its existing operations in Kolkata, the demand for power is quite variable, with the Company registering a peak period demand higher than 1,900 MW and a lean period demand as low as 500 MW. During peak demand period, in addition to its own generation, CESC also purchases power from the state and national power grid. Conversely, during the lean period, it exports surplus power, when possible.

One of the key achievements of CESC as an integrated power utility has been its ability to provide its customers with reliable and uninterrupted power supply. This has been made possible due to relentless efforts encompassing all aspects of the business — be it generation, demand-supply management or distribution. These have been complemented with the implementation of best-in-class IT solutions and CRM processes, to align all activities to benefit the end-user. These have been discussed in greater detail in the subsequent sections on 'Generation' and 'Distribution'.

One of the key achievements of CESC as an integrated power utility has been its ability to provide its customers with reliable and uninterrupted power supply.

GENERATION

CESC operates four generating stations: Budge Budge, Southern, Titagarh and New Cossipore, which cumulatively produce 1,225 MW. Three of these stations (Budge Budge, Southern and Titagarh) use pulverised fuel (PF) as the primary energy source. In spite of the different age, capacity and technologies of the four generating stations, CESC has achieved the best possible results, some of which are nationally and internationally benchmarked.

Output from a power plant is measured by plant load factor (PLF) which is the ratio of actual power produced to the maximum power producing capacity. PLF for CESC's power generating stations have been consistently better than the all-India average for thermal plants. During the year, CESC's composite PLF of the three PF plants was 86.41%, as compared to the national average of 70.04%.

To achieve this, the Company has taken various steps such as full utilisation of designed limit, benchmarking with best-in-class power plants, integrated operation and maintenance planning.

Budge Budge
Budge Budge is CESC's newest power generation plant, which comprises three units of 250 MW each. The first two units are a decade and half old and the third unit started commercial operations from February 2010. During 2012-13, Budge Budge generated 5,806.14 MU (million units) of power, with a PLF of 88.37%. The plant availability factor (PAF) achieved in this year was 93.67%.

Southern
Southern generated 1,060 MU of power during the year, with a PLF of 89.63% and a PAF of 95.8%. Various energy savings initiatives, energy audits, in-house refurbishment/renewal of major energy consuming equipment, adopting industry best practices and other similar measures have been undertaken at Southern. A unique innovative project has been successfully commissioned involving installation of three micro hydel generating units, each having capacity of 15 KW in the circulating water outfall to river Hooghly.

Titagarh
Titagarh generated 1,649.64 MU of power during the year, with a PLF of 78.46% and a PAF of 87.08%. The station could generate these efficiencies in spite of its age (30 years) — which bears testimony to the continuous and rigorous maintenance programmes that CESC conducts.

New Cossipore
The Company's generating station at New Cossipore was established way back in 1949. Yet, the 63-year old station generated 200 MU of power with a PAF of 80.91% during the year, thus extending reliable support to the system during peak hours.

AVAILABILITY

During the year, the combined generation for the PF stations was 8,515.78 MU. The overall combined availability of the PF stations was 92.52%. The entire maintenance planning has been structured: (a) to reduce forced outages; and (b) to reduce capital overhauling time.

To reduce the capital overhauling time, CESC has introduced a 'round the clock maintenance' regime and modular replacement of components.

To reduce forced outages, CESC has adopted a number of measures. These include (i) detailed analysis of each failure, (ii) taking appropriate corrective actions or process modification to eliminate these in the future, (iii) mean time before failure (MTBF) analysis and benchmarking, (iv) time bound action plans, (v) periodic inspection schedules for all units, and (vi) adopting integrated condition monitoring of dynamic equipment with sophisticated hardware and software.

To reduce the capital overhauling time, CESC has introduced a 'round the clock maintenance' regime and modular replacement of components. The time saving technique of using a forced air cooling system to cool down the turbine in very short time has also yielded satisfactory results.

ENERGY CONSERVATION AND QUALITY

CESC's generating stations have also excelled in the field of energy conservation by achieving extremely low figures for auxiliary consumption and heat rate. To achieve this, it regularly undertakes technical enhancements, following best practices and implementing recommendations of external energy auditors.

During the year, several on-going energy conservation measures were undertaken across locations. These included:

- Reduction of losses in compressed air systems and use of energy efficient lighting and equipment such as heaters, motors and measuring instruments.
- Refurbishment of boiler feed pump, condensate extraction pumps and cooling towers at Budge Budge.
- Thermo-graphic studies of drains/pipelines of boilers and turbines; and checking of boiler feed pump re-circulation at Titagarh and New Cossipore.
- Installation of variable-voltage, variable-frequency (VVVF) controls for ID fans and FD fans at Titagarh and Southern.

All PF stations of CESC are ISO 9001:2008 certified in respect of Quality Management Systems. Various quality projects are undertaken and successfully implemented on a regular basis. During the year, the Company extended the coverage of Kaizen. In 2012-13, 210 improvement projects were implemented under the initiative, of which six were adjudged as having high impact. Overall, the programme has been a success and has achieved participation of all levels of employees. Winners are awarded on a monthly basis for encouraging the participants and promoting the Kaizen culture.

ENVIRONMENT MANAGEMENT

At CESC, protection of environment is an integral part of the power generation process. The Company has laid out an 'Environment Policy' which governs its activities. Apart from ensuring compliance with all applicable legal and regulatory requirements, it has set more stringent in-house standards, and devised new and improved processes to achieve these. It has also adopted state-of-the-art technologies and the performance is closely monitored for assessment and rectification.

All PF stations of CESC are ISO 14001:2004 certified in respect of Environmental Management Systems. The Company continuously explores ways and means by which pollutants like suspended particulate matter (SPM) emitted from the PF stations can be reduced and maintained below the prescribed limits. The boilers of the 63-year old New Cossipore generating station have been retrofitted with Wet Electrostatic Precipitators (ESPs) in order to reduce the SPM level – the first of its kind in any power plant in the world. All three PF stations have attained 'zero effluent discharge' status with 100% recycling of effluents. In Titagarh, a 'root zone treatment system' has been installed for treatment of sewage; and the treated water is reused for gardening. A Continuous Ambient Air Quality Monitoring Station has been installed at the Budge Budge Generating Station.

BUDGE BUDGE POWER PLANT

Budge Budge was the first thermal power plant in the world to be approved as CDM projects by CDM Executive Board under UNFCCC.

Ash is another area of environmental concern, the more so because of high ash content in Indian coal. Since 2000, CESC has achieved 100% utilisation of ash in an environment friendly manner. At the generating stations, energy conservation projects are regularly implemented to reduce the coal usage and thus, minimise carbon dioxide emissions. Few such projects have been registered and approved as CDM projects by CDM Executive Board under UNFCCC. Budge Budge was the first thermal power plant in the world to achieve such distinction.

CESC's environment friendly status has been acknowledged over the years by the government and leading agencies working in the area of environment. Asian Power Magazine, Singapore has declared CESC as a winner of the 'Asian Power Awards 2012' in the category of 'Environmental Upgrade of the Year' for the 'Zero Discharge System for Process Water at the Titagarh Generating Station'.

SAFETY AND HEALTH

CESC maintains high standards of industrial safety practices across its generating stations. The Company has formulated a 'Safety Policy' and carries out regular safety and occupational health audits through external audit agencies.

All PF stations are OHSAS 18001: 2007 certified for occupational health and safety management systems. In addition to following prescribed safety practices, use of personal protective equipment as well as proper tools and tackles have been made mandatory. Several programmes have also been taken to promote safety awareness among employees, including classroom training, mock drill and demonstration and publishing safety manuals, magazines and audio-visual aids. An internal magazine named 'Safety Net' is published for distribution among all employees of the generation division. As part of the occupational health initiatives, immunisation programmes and medical tests are carried out for all employees.

The Company ensures that even minor incidents are fully reported for analysis and initiating corrective actions. Systems are also in place to encourage reporting of 'near misses' for proactive identification of potential hazards and enabling preventive action. At the same time, penalties are imposed if instances of non-conformity with safety standards are reported. As a result of these initiatives, accident rates have reduced substantially over the last few years.

DISTRIBUTION

CESC's customer profile reflects growing system demand, and the need for consistently high quality supply with the increase of customers in the High Tension and Medium Voltage Alternating Current (MVAC) segments. The previous year's report had highlighted CESC's success in achieving a load shedding free environment for its customers. During 2012-13, the Company made further progress in this regard, with HT faults and restoration times coming down by 53% and 65% respectively as compared to 2007-08.

During 2012-13, the Company made further progress in achieving a load shedding free environment, with HT faults and restoration times coming down by 53% and 65% respectively as compared to 2007-08.

These improvements have been due to concerted efforts aimed at upgrading the distribution infrastructure and processes for enhancing the quality and security of supply, reducing downtime and overloads. These include commissioning of new distribution stations, augmentation of transformation capacities, establishing ring-main connectivity, and substantial addition/replacement of the underground and overhead cable network along with the use of modern equipment.

Apart from these, CESC is also in the process of carrying out projects to upgrade its distribution network, enhance the network capacity and supply reliability for efficient handling of the demand growth. Some of the major projects include:

- **New substations:** at Dum Dum and Patuli, first-of-its-kind underground substation at Park Circus, and an indoor multi-tier gas insulated switchgear (GIS) substation in New Cossipore;
- **Connectivity:** river-crossing overhead connectivity between New Cossipore and Belur receiving substation; installation of overhead transmission line for establishing connectivity with National Grid — from Subhasgram substation of PGCIL to CESC Eastern Metropolitan Substation.
- **Re-engineering and space consolidation:** at Botanical Garden and East Calcutta substations to generate space for augmentation of transformation capacity as well as future upgrading.

These have been detailed further in Annexure 'D' to the Directors' Report.

During the year, CESC implemented a software module within DREAMS (Distribution Related Engineering Asset Management System) for handing-over / taking-over of assets from Construction to O&M to facilitate creation of assets that are 'First Time Right' in line with recommendations of Singapore Power.

ENERGY CONSERVATION

Energy conservation and reduction of losses in the distribution network is a key area of focus for all power utilities. During 2012-13, a number of measures were adopted that contributed to the on-going efforts to reduce ATC losses and increase energy conservation. Apart from the benefits from continuous upgrading of the T&D infrastructure discussed in the previous section, other initiatives include:

Condition monitoring of major plant and equipment of the distribution network has been adopted as a non-negotiable imperative to predict potential failure before actual occurrence.

regular energy audits, move to energy efficient lighting and air conditioners, energy efficient distribution transformers and inclusion of the energy efficiency metric in bid evaluation criteria for awarding contracts.
The impact of these measures is apparent. CESC's ATC losses compare favourably with the best in the industry and are significantly lower than the national average. With the Company's continued focus on these measures, it is expected that the distribution network will consistently deliver high quality and reliable supply of power, while simultaneously enhancing operational efficiencies.

TECHNOLOGY

Condition monitoring of major plant and equipment of the distribution network has been adopted as a non-negotiable imperative to predict potential failure before actual occurrence. This has become an on-going process and has helped CESC to mitigate damage, significantly reduce downtime and improve reliability of the system network.
On the HV distribution network, the Company continued with its efforts to progressively switch over to sulphur hexafluoride gas (SF6) filled state-of-the-art Ring Main Units (RMU), thus enabling safe on-load operations and quicker restoration of supply outages.
Technology is also used to enhance service capability to HT customers, who are covered under automated meter reading from remote sites, using GSM and GPRS communication networks. Major initiatives in this regard during the year were:

- **Automated Meter Reading (AMR):** Coverage of AMR of 5,900 LTCT operated consumers has been successfully completed for reading of energy consumption from remote and subsequent monthly billing. AMR of 3,000 distribution transformers has also been completed and the meter reading data has been made available in the browser based 'Meter Data Management System' (MDMS) for viewing loading status, breakdowns of LT HRC fusing and take prompt corrective actions.

- **Modern Supervisory Control & Data Acquisition (SCADA) Systems:** The Company embarked on a major drive to install and commission SCADA systems at unmanned distribution stations. 30 such systems were successfully commissioned during the year using optical fibre. These provide a reliable method to remotely monitor and control such stations and help in rapidly restoring power supply in affected areas. Work is continuing to install such systems at the other stations at a fast pace.
- **Award of USTDA Grant for Feasibility Study on 'Smart Grids':** The US Trade and Development Agency (USTDA) awarded a grant of $618,860 to CESC to finance a feasibility study for recommending appropriate Smart Grid technologies and pilot projects across the electricity distribution network. The project is a top priority for CESC and, when executed, will improve efficiency and energy reliability for its 2.7 million customers.

CUSTOMER SERVICE

As a utility company that services over 2.7 million customers, establishing and maintaining high levels of customer service is the overarching objective of CESC. In our last year's report, we had brought out how CESC moved from a situation where Kolkata had an average load shedding of four hours per day in 2006-07 to a load shedding free Kolkata by 2011-12. This year, the Company followed it up with wide ranging measures aimed at redefining the customer relationship management (CRM) function at CESC.

BOX 1: TOWARDS A CUSTOMER CENTRIC ORGANISATION — KEY INITIATIVES

- **CUSTOMER ID:** A concerted campaign was implemented to collect customer contact information such as mobile phone numbers and e-mail addresses. These are now used to provide information by SMS on both planned and unplanned outages as well as resumption of services; bills are also sent by e-mails.
- **CUSTOMER CONTACT:** Addition of a new mobile number to its existing call centre contact number to address connectivity concerns when using mobile phones by customers; technology revamp at call centre to include intelligent ID features by leveraging the customer information collected.
- **CUSTOMER SERVICES:** Introduction of boundary-less servicing at the regional office where people from any area can get their commercial related transactions carried out or queries addressed; automated queue management solution introduced for better efficiency and transparency.
- **CUSTOMER WEB-BASED SERVICES:** Significant upgrade of web-enabled services for information as well as transactions — getting information on billing, tracking of applications, downloading forms, introduction of bill payment through ECS and Net Banking; RTGS/NEFT facility for HT customers.
- **CUSTOMER CONNECT:** Participation at local events such as trade and book fairs; meetings with customer clusters such as clubs and local associations; awareness and information at educational and other institutions; distribution of booklets to educate customers about business processes followed by CESC and educating them on conservation and safety.
- **CUSTOMER FEEDBACK:** Introduction of voice based perception surveys to capture customer feedback after various events such as restoration of supply.

CESC CONNECTS WITH ITS CUSTOMERS DIRECTLY THROUGH A ROBUST CRM INITIATIVES SUCH AS THESE BOOKLETS DISTRIBUTED FREE OF COST

Built on the principle of customer centricity, these measures are on-going and are expected to transform the overall experience of our customers. *Box 1* gives the details.

In a special initiative during the year, CESC offered value added services to Durga Puja organisers in the city. These included single window processing for temporary connections, two 24-hour helpline numbers, on-the-spot billing facilities, nodal officers for every puja and continuous contact with the organisers through SMS and telephone calls. Feedback surveys carried out after the event revealed an overwhelming satisfaction of the organisers with these services.

During the year, CESC added around 1.10 lakh customers. More importantly, with continuous efforts and deployment of technology solutions, the average time taken to provide a new connection came down from 18 days to 15 days.

The Company operates a centralised and fully computerised 24x7 call centre as a primary consumer touch point for complaints and queries. This is integrated with the Company's distribution system, and allows immediate routing of complaint to the nearest service team – enabling prompt and effective attention. During the year, the Company set-up a three-shift LT Control Centre managed by engineers for trouble call management.

NEW PROJECTS AND INITIATIVES

CESC is in the process of undertaking many new power generation projects which are under various phases of conceptualisation, planning and implementation. Over the next decade, the Group's power business expects to add 7,000 MW to its total generation capacity. Several of these projects will be carried out by the Company's subsidiaries and also include the Company's foray into alternative and renewable fuel sources. The current projects under execution include:

THERMAL

Chandrapur, Maharashtra: This is a 2 x 300 MW coal fired thermal power project at

HALDIA POWER PLANT, WEST BENGAL

Chandrapur in Maharashtra, which is being executed by Dhariwal Infrastructure Limited (DIL), a 100% subsidiary of CESC Infrastructure Limited. Construction work of project is now in its advanced stages.

For power evacuation, the work on a 400 kV transmission line was completed during the year. The two units, 1 and 2, are expected to be commissioned in Q1 and Q4, 2013-14, respectively. The Company is constructing a line for connecting it with the national network which will be completed by Q3 2013-14.

Haldia, West Bengal: This is a 2 x 300 MW coal fired thermal power project at Haldia in West Bengal, which is being executed by Haldia Energy Limited (HEL), a 100% CESC subsidiary. All requisite clearances, including environmental clearances for the project are in place.

Civil construction work is going on in full swing in the main plant area. The foundations of critical BTG area is almost complete and structural erection of boiler and power house building is in progress. Boiler drum lifting for Unit 1 was achieved in March 2013. Construction of the intake water pump house and laying of cross-country pipeline is in an advanced stage. Work on railway infrastructure as well as 400kV transmission line, which will have 240 metre high towers for crossing a two-kilometre stretch of the river Hooghly, is in progress. The foundations of the two river crossing towers and two anchor towers have been completed and erection of the towers are in progress.

Bhagalpur, Bihar: Nalanda Power Company Limited, another 100% subsidiary of CESC, has signed an MoU with the Bihar State Electricity Board (BSEB) for development of a 2,000 MW power project in Bhagalpur district of Bihar, in two phases of 1,000 MW each. Further progress will be taken up upon allocation of coal and securing sources of long term coal supply over the life of the plant.

Dhenkanal, Orissa (Phase I): This is a 2 x 660 MW thermal plant based on super-critical technology. Most of the statutory clearances have been obtained and the project is waiting for coal linkage to be granted by Ministry of Coal, Government of India.

HYDRO

Papu, Arunachal Pradesh: CESC acquired Papu Hydropower Project Limited in May 2012, which has a 90 MW project in East Kameng district of Arunachal Pradesh. The pre-feasibility report (PFR) of the project has been completed and TOR for environmental study have been approved by MOEF. Other project development activities are in progress.

Phangchung, Arunachal Pradesh: CESC acquired Pachi Hydropower Project Limited in May 2012, which has a 56 MW project in East Kameng district of Arunachal Pradesh. The feasibility study report (FSR) for the project has been completed for 45 MW installed capacity and the proposal for TOR clearance for environmental study is under process. Topographic survey and geo-technical investigation are also in progress.

The preparation of detailed project report is by the end of 2013-14, which will be followed-up with project developmental activities.

WIND POWER PLANT, DANGRI, RAJASTHAN

Jarong, Arunachal Pradesh: Jarong Hydro Electric Power Company Limited, an SPV of CESC, was allotted 90 MW Jarong hydroelectric project in West Siang district of Arunachal Pradesh. The company took up project development activities and completed the Detailed Project Report (DPR) in December 2012. After techno-economic appraisal of the project based on DPR, it was found that the project is commercially unviable due to high capacity cost and high tariff. Subsequent to this, the company has written to the state government for an allotment of alternate project in lieu thereof.

WIND

Dangri, Rajasthan: This is the Company's maiden venture into the wind power. The 24 MW project was implemented during the later part of the financial year 2012-13 by Surya Vidyut Limited, which is a wholly owned subsidiary of CESC. The power from the project is being sold to State Discoms under two separate power purchase agreements.

DISTRIBUTION INITIATIVES

Ranchi, Jharkhand: In a significant development during the year, CESC has been selected through a process of competitive bidding to take up distribution franchising in Ranchi Circle of Jharkhand State Electricity Board. Franchising operation will be undertaken through a wholly owned subsidiary, Ranchi Power Distribution Company Private Limited (RPDCPL), and will include operation and maintenance of the distribution system, capital investments for network augmentation and improvement, metering, billing and collection activities and consumer service.

The Distribution Franchisee Agreement (DFA) to this effect was executed between RPDCPL and Jharkhand State Electricity Board on 5 December, 2012, with CESC as the confirming party. The distribution area comprises Ranchi and Khunti Districts of Jharkhand covering around 7,800 square kilometres and approximately 3.5 lakh consumers. Preparatory work is currently in progress.

Port Harcourt, Nigeria: In another development, CESC has emerged as part of a winning consortium for privatisation of Port Harcourt Electricity Distribution Company in Nigeria. CESC would be providing technical advisory services for planning, design and engineering of the distribution network, loss control measures, process and practice improvements and consumer service enhancement.

OTHER BUSINESSES

RETAIL

CESC operates in the organised retail sector through its subsidiaries.

- spencer's MAKES FINE LIVING affordable **Spencer's Retail Limited (SRL)**, is a wholly owned subsidiary of CESC in the sector with 132 stores across India under the Spencer's label, including 26 hypermarkets. The stores cater to all family needs – groceries, home and personal care products, apparel and accessories, consumer durables and lifestyle products. In spite of a difficult environment for the retail sector, the Company's efforts at improving profitability across segments while controlling operating expenses resulted in considerable improvement in performance. During 2012-13, it registered a robust same store sales growth of over 16%, with an average revenue per square feet of ₹ 1,226 per month as compared to ₹ 1,060 per month in the previous year. Overall, the company moved closer to achieving an operating breakeven, with operating loss for the year coming down significantly from ₹ 140 crore in 2011-12 to ₹ 78 crore in 2012-13. During the year, it completed the final phase of closing down unprofitable stores in the smaller format — the full benefits of which will accrue in 2013-14. The next year will also see the company rolling out new stores in hypermarket format, which will allow it to consolidate its presence in its existing clusters. Apart from these, focus will be on improving the non-food business and in-store experience as well as building team capability to support the company's future growth plans for the business.

- **Music World Retail Limited** is a wholly owned subsidiary of SRL, operating in the music retailing business. After consolidation of operations, the company is now operating only in West Bengal with three stores. During the year, the Hon'ble Calcutta High Court has passed an Order sanctioning a scheme of amalgamation of Music World Retail Limited with SRL. Necessary steps will be taken in this regard on receipt of the certified copy of the Order.
- **Au Bon Pain Café India Limited (ABPCIL)** is a subsidiary of SRL, catering to the retail coffee and fast food segment as the Indian master franchisee of ABP Corporation, USA. During 2012-13, ABPCIL opened five new cafés across four trade channels — high street/shopping malls, business and industry locations, hospital premises and universities. With these, the number of cafés that were in operation at the end of the year increased to 26.

BUSINESS PROCESS OUTSOURCING (BPO)

During the year, Spen Liq Private Limited, a wholly owned subsidiary of CESC, purchased a majority stake in Firstsource Solutions Limited (FSL) — India's fifth-largest BPO Company.

FSL has a total employee strength of around 31,000, spread across 47 delivery centres in India, US, UK, Ireland, Sri Lanka and the Philippines. The company serves over 100 global clients — including 21 Fortune 500 companies and 9 FTSE 100 companies — predominantly in three core industry verticals:

- Healthcare.
- Telecom and Media.
- Banking, Financial Services and Insurance.

During 2012-13, FSL reported a growth of 25% in its revenues to ₹ 2,818.5 crore. Net profits after tax stood at ₹ 146.6 crore. This acquisition is in line with CESC's strategy to diversify its operations and strengthen its presence in newer businesses with significant growth potential.

REAL ESTATE

CESC currently operates in the sector through its subsidiaries. CESC Properties Limited is currently executing a shopping mall project in Kolkata. The total built up area of the mall is envisaged at approximately 700,000 square feet, with shops, retail outlets, an entertainment zone, multiplexes, a food court and fine dining areas. Construction work on the project is in its final stages and around 90% of the built-up area has been already leased out. The project is scheduled to be completed during the first half of 2013-14.

Metromark Green Commodities Private Limited, a wholly owned subsidiary of CESC Properties Limited is currently engaged in constructing a warehouse in Howrah. The warehouse is expected to have a built-up area of 45,000 square feet, with ten loading and unloading bays and two goods lifts.

HUMAN RESOURCES (HR)

HR is the key enabler of CESC's achievement of its long-term goals of growth and continuous performance improvement. This has assumed even greater significance in the context of the Company's transformation into a multi-location entity engaged in diversified businesses such as power generation and distribution, retail, infrastructure and BPO. The HR strategy of CESC has kept pace with these developments and is aligned to the corporate objectives while simultaneously focusing on individual career development and growth aspirations.

In CESC, a structured recruitment and selection process is in place, which takes into account current strength, anticipated attrition and future needs. Young graduates are recruited from leading engineering and management institutes. Over the years, CESC has built a strong relationship with major campuses attaining a 'Preferred Employer' status.

CESC invests significant resources in the training and development of its employees. New recruits and trainees undergo an extensive induction process followed by rigorous training in functional areas. Simultaneously, the training and development needs of current employees are identified through structured processes and addressed through training programmes drawn at the start of each year.

CESC carried out customised curriculum based training programmes organised jointly with XLRI (Jamshedpur), IIT (Kharagpur) and IIM (Kolkata) to address the needs of capability building and multi-skilling for its executives

During the year, CESC carried out customised curriculum based training programmes organised jointly with XLRI (Jamshedpur), IIT (Kharagpur) and IIM (Kolkata) to address the needs of capability building and multi-skilling for its executives. A specialised technical programme on latest power plant technology in collaboration with IIT (Delhi) was also organised to equip the line function engineers with latest and modern developments. Initiatives such as Young Executive Board, Coaching and Mentoring, and Outbound Learning programmes have been institutionalised over the years to develop and build the young talent pool in CESC.

The implementation of the Oracle HRMS to streamline routine processes and make information available for faster and better decision making is in its last stage of completion and is likely to go live during the next financial year. The second edition of the knowledge carnival, a unique initiative fostering a culture of creativity and innovation started last year, was held during 2012-13, to showcase the innovations of individual departments within the Company.

The Asia Institute of Power Management, the training wing of CESC, which has a programme collaboration with SP Global Solutions - a member of Singapore Power Group- has established itself by training power professionals across the country and abroad.

The revision of the existing Memorandum of Settlement to be executed with the employees' unions covering the non-covenanted employees is in process and will cover all parameters related to remuneration of such employees. Compensation and rewards for the Company's executives are determined through a structured on-line Performance Management System (PMS) to ensure transparency and credibility. A Balanced Scorecard model has been adopted for middle and senior management and a Key Result Areas model for junior level executives. A reward and recognition scheme covering all categories of executives has been put in place this year to recognise outstanding executives of each division / department.

The leadership team of CESC remains actively involved in capability building initiatives at all levels, including leading the cross functional teams which have been formed to deal with issues such as customer centricity, talent management, communication, CSR, organisational excellence and PMS as a part of the change management process.

The executive attrition rate has come down significantly from 3.9% in 2011-12 to 2.43% in 2012-13. In terms of industrial relations, CESC continued to enjoy industrial harmony in its business operations throughout the year. A Joint Bargaining Council has been formed to promote good industrial relations practices and to engage employee representatives in the process of collaborative participation. As the Company enters a renewed period of sustainable and inclusive growth, the industrial relations system will continue to play a vital role in the process of moderation and structural change in the foreseeable future.

As on 31 March 2013, CESC had a workforce of 10,177 people on its rolls. No major incident of service interruption due to industrial relations issues was reported.

INFORMATION TECHNOLOGY (IT)

At CESC, IT is not just an enabler of business processes, but forms an integral part of the organisation's strategic and performance objectives. IT has been identified as a key element to achieve greater operational efficiency and ensure success in a competitive environment. Over the years, the Company has developed a strong IT backbone for carrying out its business.

During 2012-13, one of the most important focus areas for the IT function was to create and implement customer centric systems and processes. These involved:

- **Upgrading the web-based customer services infrastructure:** website, application and tracking, registration for value added services, e-payments using credit/debit cards, net banking, ECS and NEFT/RTGS payments.
- **Automated e-mails and SMSs** that are sent to customers periodically or triggered based on events such as service disruptions and resolution.

The Company also extended the coverage of CESCNET, its captive optical fibre data network, from 18 nodal centres to 130 service establishments. In the previous year, CESC has commissioned a state-of-the-art data centre for its IT applications. During 2012-13, a disaster simulation was carried out successfully to ensure business continuity if such an event ever occurred.

In another important development, the Company has started roll-out and integration of GIS-enabled distribution systems. Successful implementation of the system has brought about significant efficiency in network planning, identifying and rectification of faults. This has earned the Company the prestigious 'Intergraph Icon Award', which is presented to companies that have used Intergraph software technology to significantly benefit their business or industry. The implementation of GIS will be expanded to other parts of the licensed area.

Several other important projects are currently in different stages of planning and implementation. These include:

- **Intelligent IVRS solution** for the call centre which will have facilities such as customer recognition and automatic docket generation.
- **Upgrading the ERP** to the latest version of Oracle Apps.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CESC is committed to creating sustainable social and environmental impact through its CSR programmes. The Company's initiatives aim at comprehensive and long-term development of the communities that it interacts within the course of its business. In a conscious effort, the Company has formed partnerships with various non-governmental organisations (NGOs) and other resource agencies for implementation of its CSR projects. The focus areas of CESC's CSR initiatives are: education, health, environment and sustainability, and community development.

ENVIRONMENT INITIATIVES

Urja Chetana seeks to generate awareness and action on energy conservation amongst students, who would carry the learning to the larger society through community outreach activities.

During the year, CESC has launched the 'Urja Chetana' Programme in 16 schools in partnership with Centre for Environment Education (CEE). It seeks to generate awareness and action on energy conservation amongst students, who would carry the learning to the larger society through community outreach activities. The Company also supported and participated in an awareness programme on 'Fly Ash Management' organised by West Bengal Pollution Control Board (WBPCB). Ten schools were selected from Titagarh, Khardah and Barrackpore and over 1,500 students were sensitised through the programme. An awareness programme on Electrical Safety and Energy Conservation was organised by Titagarh Generating Station (TGS) in Surya Sen Shikshaniketan in Khardah. A community outreach programme to create awareness on impact of greenhouse gases and other issues related to environmental pollution was organised by Titagarh Generating Station on 5 June 2012 to observe the World Environment Day.

Developing parks and playgrounds for children around generating stations is an important environmental initiative by CESC. Not only do these help in reclamation and beautification of public spaces, but they also have a positive impact on the development of children and residents of the surrounding communities. In 2012-13, a children's park called 'Kishalaya Udyan' and a playground called 'Kishalaya Prangan' were developed in the Titagarh Municipality.

Budge Budge Generating Station (BBGS) has been participating in the Science Fair organised by Maheshtala Nature Study Society for several years now. The Science Fair provides an opportunity to schools in and around Maheshtala to demonstrate innovative models based on the principles of science. During the fair, BBGS demonstrated various models related to generation of electric power, rain water harvesting and pollution control.

As a part of its commitment to environment and sustainability, CESC has embarked on a drive to convert CESC House – its corporate office – into a LEED Certified Green Building under the existing building category. During the year, nine significant facility improvement measures were implemented in various phases, which saw the energy consumption of CESC House going down by 2.3 lakh Kwh. The energy savings are expected to be higher in 2013-14.

EDUCATION INITIATIVES

In a significant development during the year, the 'CESC Learning Labs Programme' was launched in September 2012 in four schools, in partnership with NIIT Limited. The programme is a learning solution which integrates Science and Math Labs with classrooms. It allows students to enhance their learning capabilities by helping them corelate classroom learning with computer aided simulations. Learning Labs in Mathematics and Science for Classes

VI-X emphasises on 'learning by doing' to foster applied reasoning. The programme was conceived as a value added application of computer-aided learning as opposed to a general computer literacy programme.

Access to good libraries plays an important role in improving quality of education. In view of this, CESC has launched a library programme in schools around its generating stations. In 2012-13, a library was set up in Pour Madhyamik Balika Vidyalaya in Titagarh. The books donated cover a range of subjects from history, geography and mathematics to science, literature and fiction as well as CDs on various topics.

Quality of education is determined to a large extent by the availability of infrastructure in schools. CESC has been regularly aiding the development of infrastructure of schools around its generating stations. In 2012-13, infrastructure development activities were undertaken in Pour Madhyamik Vidyalaya in Titagarh, and Pujali Raghunathpur School in Budge Budge.

Promoting high quality management education is another major thrust for the Company. CESC has been supporting the setting up of International Management Institute – Kolkata, a state of the art management institute with hostel facilities in the heart of Kolkata at Alipore.

HEALTH INITIATIVES

CESC is committed to improving the health of the communities with which it works. Towards this, the Company has been active in improving the public health infrastructure around its generating stations. In 2012-13, CESC supported Titagarh Municipal Hospital in setting up ENT and ophthalmology wards and in upgrading the maternity ward. The hospital provides services to around 10,000 people from the Titagarh Municipality and nearby areas.

COMMUNITY DEVELOPMENT INITIATIVES

During the year, CESC initiated the 'Alor Disha' Project in Antaranga School, in partnership with the Kalighat Society for Development Facilitation (KSDF). Antaranga has been working for the development of mentally challenged girls for the last 12 years through education, counselling, vocational training and cultural activities. 'Alor Disha' aims at skill building of mentally challenged students for their sustainable rehabilitation. 25 students of above 18 years have been selected for training in making jute products, kantha embroidery and bead jewellery. The students and their mothers are being provided all kinds of support from training in enterprise development to design development, market linkage, information about and links to government schemes and facilities, etc.

BOX 2: CESC FOUNTAIN OF JOY

On 16 October 2012, one of India's most spectacular musical fountain – the 'CESC Fountain of Joy' – was dedicated to the city of Kolkata by CESC. A truly spectacular marvel, both in terms of technology and visual effects, the fountain will serve as a major attraction for the city's residents and tourists.

However, the most significant aspect of this development is the emotional connect. During the Calcutta 300 Celebrations in 1991, Mr. R. P. Goenka, Chairman, CESC, had dedicated the first musical fountain to the city which was inaugurated in the Maidan, Kolkata. Inauguration of a modern fountain at the same site signifies how CESC has grown over the years in terms of technology and capabilities to serve the people of Kolkata.

In 2012-13, the Company undertook street lighting project in areas around Budge Budge and Titagarh Generating Stations. The objectives behind the intitiative were to ensure safe movement of people living in the surrounding communities and better security surveillance of the localities after dark.

FINANCIAL PERFORMANCE

TABLE 3: STANDALONE FINANCIAL PERFORMANCE OF CESC LIMITED FOR THE YEAR ENDED 31 MARCH 2013

Fuel	2012-13	2011-12	% Change
Revenue from operations	5,317	4,681	13.6%
Other Income	93	101	-7.9%
Total Income	**5,410**	**4,782**	**13.1%**
Cost of Power Purchased	945	636	48.6%
Fuel Costs	1,797	1,762	2.0%
People Costs	559	471	18.7%
Generation, Distribution, Administration & Other Costs	692	654	5.8%
Total Expenses	**3,993**	**3,523**	**13.3%**
EBIDTA	1,417	1,259	12.6%
Depreciation	306	290	5.5%
EBIT	**1,111**	**969**	**14.7%**
Finance Costs	338	276	22.5%
PBT	**773**	**693**	**11.6%**
Less: Provision for Taxes			
Current Tax	155	139	11.5%
PAT	**618**	**554**	**11.6%**

Table 3 summarises the financial performance of CESC Limited for the year ended 31 March 2013 as a standalone entity.
During 2012-13, total income (including other income) of CESC as a standalone entity increased by 13.1%, from ₹ 4,782 crore in 2011-12 to ₹ 5,410 crore in 2012-13.

Overall operating expenses grew by 13.3% to ₹ 3,993 crore in 2012-13 primarily driven by increase in cost of power purchased. In spite of this, earnings before interest, depreciation and taxes (EBIDTA) went up by 12.6% over last year to ₹ 1,417 crore in 2012-13. Profit before depreciation and taxation (PBDT) reflected a year-on-year increase of 9.8% to ₹ 1,079 crore in 2012-13.

The Company's profit after taxes (PAT) for 2012-13 stood at ₹ 618 crore, which reflects a 11.6% increase over the previous year. The Earning per Share (EPS) during the year stood at ₹ 49.5 compared to ₹ 44.37 in 2011-12.

INTERNAL CONTROLS

A strong internal control framework is an essential pre-requisite of growing business. In this context, the Company's internal control systems are commensurate with its size and the nature of its operations. It has well documented policies, procedures and authorisation guidelines to ensure that all assets of the Company are safeguarded against unauthorised use or losses, all the transactions are properly authorised, recorded and reported and all applicable laws and regulations are complied with.

The effectiveness of internal control mechanism is tested and certified by the Internal Audit Department, covering all divisions and key areas of operation, based on an annual audit plan giving due weightage to the various risk parameters associated with the business. Major audit observations and follow up actions thereon are reviewed and monitored by the Audit Committee and placed before the Board of Directors, where necessary. The Internal Audit Department also assesses the effectiveness of risk management and governance process.

RISKS AND CONCERNS

CESC's Risk Management Committee operates on a comprehensive risk management framework that the Company has put in place over time. The Committee is headed by the Managing Director and comprise the entire senior management team. Divisions identify operational and tactical risks and suggest measures for mitigation and control. The Committee supervises and monitors the risk identification and mitigation activities of each division.

CESC identifies the following key areas of risks and concerns.

MACROECONOMIC AND MARKET RISKS

The Indian power sector is witnessing significant capacity expansions to meet the increase in demand from a rapidly growing economy, most of which will be coal-based. Even as this is an opportunity, it has created shortages in coal supply and firming-up of prices. Increase in the relevance of India in the global market for coal and high global demand in general further accentuates this trend. In this environment, securing coal linkages of appropriate quality and at competitive prices remains a challenge and a risk for the Company.

To mitigate the risk of availability and cost of coal, CESC has adopted a strategy of ensuring long-term coal linkages for its existing and future projects. Apart from this, the Company is actively looking at securing resources abroad to effectively address its energy requirements. This is reflected in the Group's investment and long-term purchase agreement with Resource Generation Limited.

OPERATIONAL RISKS

It is becoming more and more difficult to build generating stations inside a congested megapolis like Kolkata – not the least because of environmental concerns. As CESC's plants age, it is natural that their operating efficiencies shall reduce; beyond a point in time, shutting down and replacement of these plants will become imperative. If the Company is not allowed to build replacement plants at the sites where current generating stations exist, the cost of evacuating and distributing power from far flung locations into the licensed area will increase substantially, in turn impacting quality of service delivery and profitability.

There is also another associated risk. High quality coal, i.e. coal with low ash content and high heat value, is becoming scarcer. Some of CESC's older plants had been designed for high quality coal as input energy source. With the supply of this type of coal drying up, it will become more difficult to operate these generating stations – and replacing these with new plants capable of using currently available qualities of coal will become necessary, with its attendant capital cost commitments. There are also serious issues of consistent slippage of quality of coal supplied by the government monopoly, which is well known in the sector.

To mitigate the operational risks associated with availability and quality of power, the Company invests significant resources in the maintenance of its generation and distribution assets. At the same time, the new generation projects of the Company have been planned with an objective of ensuring continuity of availability of power in the medium to longer term.

REGULATORY RISKS

Power is a highly regulated sector. This exposes the Company to risks with respect to changes in policies and regulations. Besides, given the nature of the industry, there is a risk of more stringent policies and norms aimed at addressing environmental concerns. This can make it more difficult to execute new projects as well as increase the cost of operations. Efficient managing and recycling of fly ash is one such area.

CESC is conscious of these risks. To address the risks associated with fly ash, the Company ensures that a large portion of CESC's dry ash is used by the cement and brick industries; some of it is also exported to Bangladesh on river barges. All the generating stations of the Company have achieved 100% ash utilisation. As explained earlier, CESC, through its subsidiaries and Group companies, is also exploring opportunities in power generation using alternative and renewable fuel sources to mitigate these risks.

FUTURE OUTLOOK

The global economic scenario continues to be uncertain. The global energy sector, too, is witnessing structural changes that may have long-term implications for demand-supply balance as well as preferred choice of fuel.

The economic environment in India also worsened during 2012-13. The GDP growth rate moderated further to 5%. Interest rates and inflation continue to be high, affecting business and consumer sentiment. But the biggest worry, especially for the power sector, has been uninspiring policy environment. This has affected not only fresh investments, but also project completion. Similarly, operational performance of the sector has suffered due to shortages and high global prices of coal — which accounts for most of the generation capacity in the country.

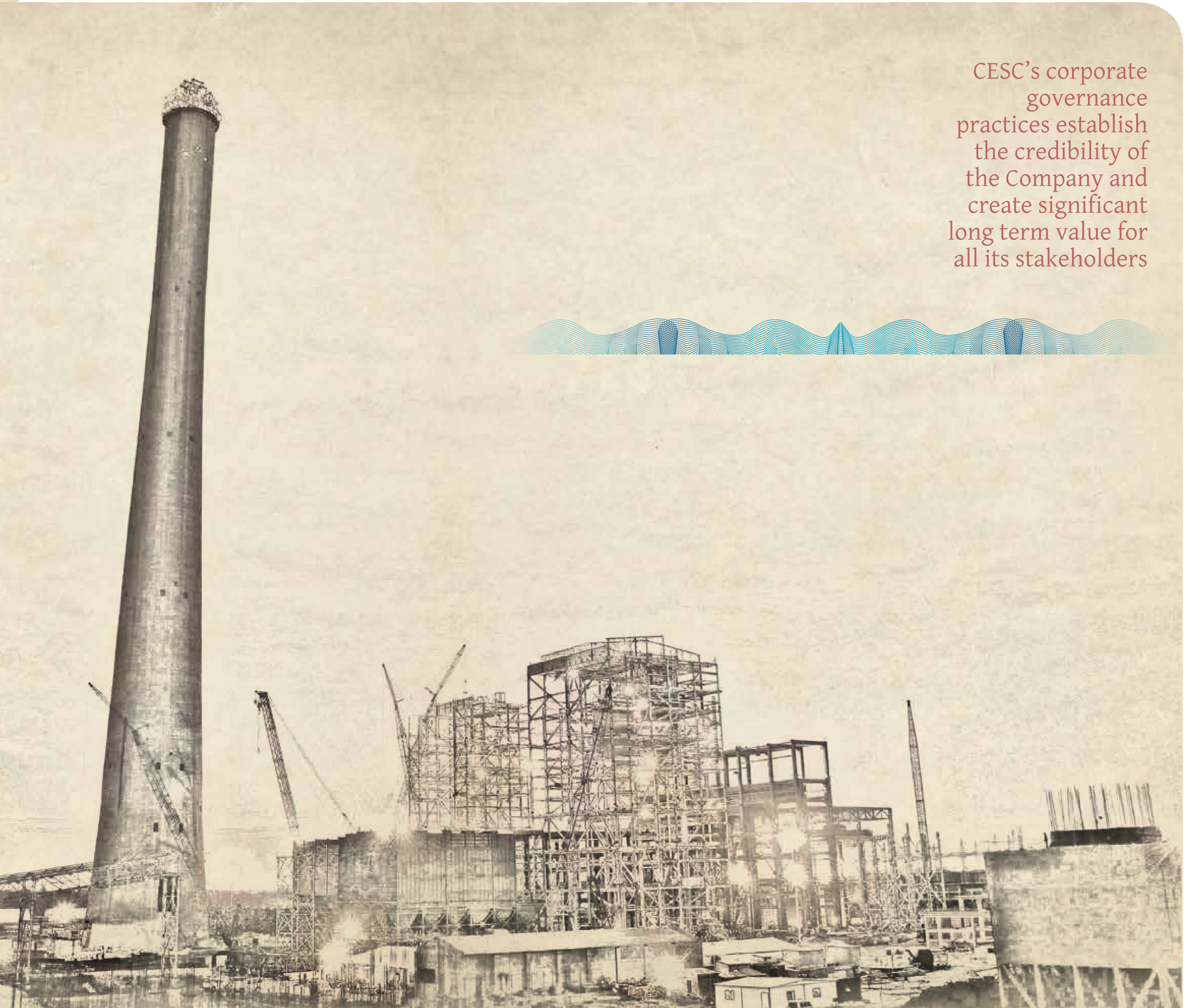
However, the demand outlook for power in India continues to be strong. And CESC, with its experience and capabilities in the sector, is well positioned to benefit from the opportunity. The Company, through its subsidiaries and Group entities, has been active in planning and implementing various power projects, one of which is likely to start commercial production in 2013-14. It has also undertaken investments in other sectors such as retail and BPO to mitigate potential long-term risks associated with power.

CAUTIONARY STATEMENT

The financial statements appearing above are in conformity with accounting principles generally accepted in India. The statements in the report which may be considered 'forward looking statements' within the meaning of applicable laws and regulations, have been based upon current expectations and projection about future events. The management cannot, however, guarantee that these forward looking statements will actually be realised or achieved.

On behalf of the Board of Directors

Sanjiv Goenka
Kolkata, 28 May 2013 Chairman



CESC's corporate governance practices establish the credibility of the Company and create significant long term value for all its stakeholders

Company's Philosophy on Corporate Governance

CESC Limited ('CESC' or 'the Company') is committed to sound corporate governance practices in the way it conducts its business and deals with its stakeholders. These practices are reflected in the systems and procedures that the Company has put in place for timely and adequate disclosures and reporting, which not only allows effective monitoring but also ensures a balance of accountability between the management and the Board of Directors. It is the Company's philosophy and strong belief that these practices go a long way in establishing the credibility of the Company and create significant long term value for all its stakeholders.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement with the Stock Exchanges. This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports CESC's compliance with Clause 49 for the year ended 31 March 2013.

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

On 31 March 2013, CESC's Board of Directors ('the Board') consisted of nine Directors, of which five were Independent Directors. One of the non-executive Independent Directors is nominee of a bank. The Managing Director is the only Executive Director of the Company. The composition of the Board satisfies the requirements of Clause 49 of the Listing Agreement.

Dr. R. P. Goenka, Chairman, expired on 14 April 2013. Mr. S. Goenka was appointed by the Board as Chairman on 28 May 2013. Since the close of the Financial Year 2012-13, Mr. Aniruddha Basu was appointed by the Board as an additional director with the designation 'Wholetime Director' from 28 May 2013 to 31 July 2013 and also as the Managing Director of the Company with effect from 1 August 2013 upon expiry of the present term of Mr. Sumantra Banerjee as the Managing Director on 31 July 2013.

NUMBER OF BOARD MEETINGS

In 2012-13, the Board of the Company met six times: on 8 May 2012, 13 June 2012, 27 July 2012, 25 October 2012, 9 November 2012, and 12 February 2013. The maximum gap between any two Board meetings was less than four months.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

Table 1 details the composition and the attendance record of the Board of Directors. None of the Directors is a member of more than 10 Board-level Committees of public companies in which they are Directors, nor is Chairman of more than five such Committees.

TABLE 1: COMPOSITION OF THE BOARD OF DIRECTORS AS ON 31 MARCH 2013

Name of the Directors	Category	No. of other Directorships and Committee membership / Chairmanships in other Indian public companies			Attendance Particulars		
		Director[1]	Member[2]	Chairman[2]	No. of Board Meetings Held	No. Of Board Meetings Attended	Attendance at last AGM
Mr. R. P. Goenka[3] (Chairman)	Promoter, Non- Executive	2	-	-	6	1	No
Mr. S. Goenka[3] (Vice Chairman)	Promoter, Non-Executive	12	1	1	6	6	Yes
Mr. P. K. Khaitan	Non-Independent	14	3	-	6	6	Yes
Mr. B. M. Khaitan	Independent	5	-	-	6	3	No
Mr. O.P. Vaish	Independent	5	3	1	6	4	Yes
Mr. S. N. Menon	Independent	4	2	-	6	-	No
Mr. C. K. Dhanuka[4]	Independent	9	1	-	6	4	Yes
Mr. S. K. Pai[5] (Nominee of IDBI Bank Ltd.)	Independent	-	-	-	1	1	NA
Mr. S. Banerjee (Managing Director)	Executive	5	2	-	6	5	Yes

Notes:
1. The Directorships held by Directors as mentioned in Table 1 do not include alternate directorships and directorships of foreign companies, Section 25 companies and private limited companies.
2. In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees and Shareholders' / Investors' Grievance Committees of all public limited companies have been considered.
3. Dr. R. P. Goenka expired on 14 April 2013. Mr. S. Goenka was appointed as Chairman on 28 May 2013.
4. Mr. C. K. Dhanuka joined the Board of Directors on 4 May 2012.
5. Mr. S. K. Pai joined the Board of Directors as a nominee of IDBI Bank Limited in place of Mr. S. K. V. Srinivasan on 15 January 2013.

DIRECTORS WITH MATERIALLY PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

As mandated by Clause 49, the Independent Directors on CESC's Board:
- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management, its subsidiaries and associates which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or executives during the preceding three years of the:
  - Statutory audit firm or the internal audit firm that is associated with the Company.
  - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director.
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

Details of transactions of a material nature with any of the related parties as specified in Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India are disclosed in Note 38(a) to the financial statements for the year 2012-13. There has been no transaction of a material nature 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.

INFORMATION SUPPLIED TO THE BOARD

The Board of Directors is presented with detailed notes along with the agenda papers well in advance of the meeting. The Board periodically reviews compliance reports prepared by the Company regarding all laws applicable to the Company, as well as steps taken to rectify instances of non-compliances, if any.

Important operational matters are brought to the notice of the Board at its meetings held from time to time. Operational heads from various divisions of the Company attend the Board Meetings to provide inputs and explain any queries pertaining to their respective areas of operations to enable the Board to take informed decisions.

CODE OF CONDUCT

The Code of Business Conduct and Ethics relating to matters concerning Board members and Senior Management Officers and their duties and responsibilities has been meticulously followed. All Directors and Senior Management Officers have affirmed compliance of the provisions of the Code during the year 2012-13 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**

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

As on 31 March 2013, CESC's Audit Committee consisted of Mr. S. Goenka, Mr. B. M. Khaitan, and Mr. C. K. Dhanuka. Mr. Dhanuka, Independent Director, is the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise.

The Chairman of the Audit Committee attended the Annual General Meeting held on 27 July 2012.

The Committee met five times during the course of the year: on 8 May 2012, 13 June 2012, 27 July 2012, 9 November 2012 and 12 February 2013. Table 2 gives attendance record.

TABLE 2: ATTENDANCE RECORD OF AUDIT COMMITTEE MEMBERS FOR 2012-13

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. S. Goenka	Member	Non- Executive	5	5
Mr. B. M. Khaitan	Member	Independent	5	5
Mr. C. K. Dhanuka	Chairman	Independent	5	5

The chief of finance and representatives of the statutory auditors, cost auditors and internal auditors are regularly invited by the Audit Committee to its meetings. The Company Secretary is the secretary to the Committee.

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

1. 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.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. 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 clause (2AA) of Section 217 of the Companies Act, 1956.
   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.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. 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.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. 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.
10. Discussion with 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.
11. Reviewing the Company's risk management policies.
12. To 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.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is empowered, pursuant to its terms of reference, to:

a) Investigate any activity within its terms of reference and to seek any information it requires from any employee.
b) Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

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

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the chief internal auditor.
- Whenever applicable, the uses / applications 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, the Audit Committee of the Company is also empowered to review the financial statements, in particular, the investments made by the unlisted subsidiary companies (if any), in view of the requirements under Clause 49. No person has been denied access to the Committee.

INVESTORS' GRIEVANCE COMMITTEE

The Committee looks into redressing complaints of shareholders and investors such as transfer of shares, issue of share certificates, non-receipt of Annual Report and non-receipt of declared dividends. The Committee comprising Mr. S. Goenka, who is the Chairman of the Committee and

Mr. S. Banerjee, met three times during the year.

For expediting the process of registration of transfers of the Company's securities, the Board has delegated the power of approving share / debenture transfers and for dealing with matters connected therewith, to the Company Secretary who is also the Compliance Officer. Table 3 gives the details of attendance.

TABLE 3: ATTENDANCE RECORD OF INVESTORS' GRIEVANCE COMMITTEE FOR 2012-13

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. S. Goenka	Chairman	Non- Executive	3	3
Mr. S. Banerjee	Member	Executive	3	3

REMUNERATION COMMITTEE

CESC's Remuneration Committee is responsible for recommending the fixation and periodic revision of remuneration of the Managing Director. The committee also decides on payment of commission to non-executive Directors.

The Committee comprised Mr. B. M. Khaitan (Chairman), Mr. C. K. Dhanuka and Mr. S. K. V. Srinivasan. Mr. S. K. Pai, Independent Director, replaced Mr. Srinivasan with effect from 15 January 2013. During the year, the Committee met once on 13 June 2012. All the members attended the meeting.

Payment of remuneration to the Managing Director is governed by the agreements executed between him and the Company and are governed by Board and shareholders' resolutions. The remuneration structure comprises salary, commission linked to profits, perquisites and allowances and retirement benefits (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 2013:

Sitting fees paid during the year 2012-13
Mr. R. P. Goenka, Chairman - ₹ 20,000, Mr. S. Goenka, Vice Chairman - ₹ 2,80,000, Mr. P. K. Khaitan - ₹ 1,60,000, Mr. B. M. Khaitan - ₹ 1,80,000, Mr. S. K. V. Srinivasan, Nominee of IDBI Bank Limited - ₹ 1,00,000, Mr. O .P. Vaish - ₹ 80,000 and Mr. S. N. Menon – Nil , Mr C. K. Dhanuka – ₹ 2,00,000 and Mr. S. K. Pai Nominee of IDBI Bank Limited – ₹ 20,000.

After taking into account the contribution to the Company in formulating policy matters, qualifications, experience, directorship in other companies having diverse business, time spent on strategic matters, the Company, with the approval of the shareholders, has made an application to the Central Government, in order to remunerate the Non-Executive Directors by way of commission not exceeding in aggregate 3% of net profits, inter alia for the financial year 2012-13, calculated under Sections 198 and 309(5) of the Companies Act, 1956. Amount of the proposed commission for the Non-Executive Directors for the year 2012-2013 is ₹ 2395 lakh. Pending receipt of approval of the Central Government to the payment of commission at the said rate of 3% of net profits for the year 2011 – 12, commission at the rate of 1% of net profits of an amount of ₹ 705.50 lakh has been paid to the Non-Executive Directors of the Company for the said year. The above payments are subject to receipt of necessary approvals as required under the Companies Act, 1956.

None of the above Directors are related to each other, except Mr. R. P. Goenka and Mr. S. Goenka. Sitting fees include payment for Board-level committee meetings. Sitting fees of nominee Director are paid to the bank he represents.

Remuneration of the Managing Director:
Mr. S. Banerjee was reappointed as the Managing Director of the Company for a period of 5 years with effect from 1 August 2008. The remuneration of Mr. Banerjee for the year in accordance with the Special Resolution passed by the shareholders at the Thirtieth Annual General Meeting held on 30 July 2008 was: Salary - ₹ 60 lakh, contribution to Pension and Provident Fund and Gratuity – C19.08 lakh, Estimated value of other benefits – ₹ 49.20 lakh, Commission payable for 2011-12 – ₹ 350 lakh. Total : - ₹ 478.28 lakh. Mr. Banerjee was the only executive on the Company's Board as on 31 March 2013.

Shares and convertible instruments held by non-executive Directors:
As on 31 March 2013, Mr. S. Goenka, Vice Chairman and non-executive Director held 2,58,498 equity shares of the Company. No other Director holds any equity shares in CESC. As on 31 March 2012, no convertible instruments of the Company are outstanding.

SUBSIDIARY COMPANIES

The Company is not required to nominate any director on the Board of any of its unlisted subsidiaries.

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 do not 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 211(3C) of the Companies Act, 1956 and the relevant provisions of the said 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 Companies Act, 1956 of India.

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with the SEBI regulation on prevention of insider trading, the Company has in place a comprehensive code of conduct for its Directors and Senior Management Officers. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company. The code clearly specifies, among other matters, that Directors and specified employees of the Company can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, as per the Code.

Mr. S. Mitra, Company Secretary is the Compliance Officer.

CEO/CFO CERTIFICATION

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

SHAREHOLDERS

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

Mr. B. M. Khaitan and Mr. P. K. Khaitan retire by rotation at the end of this year's Annual General Meeting, and being eligible, offer themselves for re-appointment.

Mr. Aniruddha Basu, who was appointed by the Board on 28 May 2013 as an Additional Director shall hold office as such up to the date of the Annual General Meeting. The Company has received a Notice in writing from a Member along with the requisite deposit of money proposing the candidature of Mr. Basu for the office of Director under the provisions of Section 257 of the Companies Act, 1956.

Their details are mentioned below.

MR. B. M. KHAITAN, 85 years, is a renowned industrialist having interest in tea, batteries and engineering industries. Mr. Khaitan has made great contributions to the tea industry with which he has been associated for over five decades.

Other Directorships	Mr. Khaitan is the Chairman of Williamson Magor & Company Limited, Eveready Industries India Limited and Mcleod Russel India Limited and is a Director of Babcock Borsig Limited and Jayshree Tea & Industries Limited (also Chairman of Remuneration Committee). He is on the Board of Directors of CESC since 1994 and is a member of its Audit and Chairman of Remuneration Committee.
Number of shares held in the Company	Nil

MR. P. K. KHAITAN, 72 years of age, is a solicitor and advocate and has extensive experience in the fields of commercial and corporate law, tax law, arbitration, foreign collaborations, mergers and acquisitions, restructuring and de-mergers. He is a senior partner of Khaitan & Co., an eminent firm of 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 the Finance & Forex Committee and Project Committee.

Other Directorships	Mr. Khaitan is the Chairman of Dalmia Bharat Limited, Electrosteel Castings Limited and OCL India Limited. He is a Director of Dhunseri Petrochem & Tea Limited (also member of its Remuneration Committee), Gillanders Arbuthnot & Co. Limited (also member of Remuneration Committee and Shareholders and Investors' Grievance Committee), Graphite India Limited (also Chairman of Remuneration Committee and member of Committee for Borrowing), Hindustan Motors Limited (also member of Executive Committee, Investors' Grievances Committee and Remuneration Committee), India Glycols Limited, Pilani Investment & Industries Corporation Limited (also member of Audit Committee), Saregama India Limited, TCPL Packaging Limited, Visa Steel Limited (also member of Remuneration Committee, Finance & Banking Committee and Selection Committee), Warren Tea Limited, Woodlands Multispeciality Hospital Limited (also Chairman of Share Allotment Committee) and Egyptian Indian Polyester Company SAE.
Number of shares held in the Company	Nil

MR. ANIRUDDHA BASU, 53 years of age is an Electrical Engineer and has been with the Company for 29 years. He has successfully undertaken a series of important assignments in the Distribution division of the Company like loss control, customer centricity, network development etc. and has vast experience in critical areas of functioning of the Company. Before joining the Board of Directors of the Company, Mr. Basu was its Executive Director in charge of mains and commercial functions.

Mr. Basu is not a Director of any other Company nor does he hold any share in the Company.

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** 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.

INVESTOR GRIEVANCES & SHAREHOLDER REDRESSAL

The Company has appointed a Registrar and Share Transfer Agent, Link Intime India Private Ltd., which is fully equipped to carry out share transfer related activities and redress investor complaints. Mr. S. Mitra, Company Secretary is the Compliance Officer for redressal of all shareholders' grievances.

DETAILS OF NON-COMPLIANCE BY THE COMPANY

CESC has complied with all the requirements of 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.

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
2009-10	23 July 2010	10.30 A.M.	CITY CENTRE, Royal Bengal Room, DC Block Sector I, Salt Lake, Kolkata 700064	None
2010-11	29 July 2011	10.30 A.M.	CITY CENTRE, Royal Bengal Room, DC Block Sector I, Salt Lake, Kolkata 700064	None
2011-12	27 July, 2012	10.30 A.M.	CITY CENTRE, Royal Bengal Room, DC Block Sector I, Salt Lake, Kolkata 700064	Two

No special resolutions passed at the above Annual General Meetings were 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 Clause 49.

NON-MANDATORY REQUIREMENTS

The details of compliance of the non-mandatory requirements are listed below. The Company complies with many items of Corporate Governance Voluntary Guidelines 2009.

REMUNERATION COMMITTEE

Details of the composition and function of the Remuneration Committee are given in the section 'Committees of the Board'.

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.

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 Clause 49. The certificate is annexed to this report.

On behalf of the Board of Directors

Sanjiv Goenka
Chairman

Kolkata, 28 May 2013

ANNUAL GENERAL MEETING

Date	26 July 2013
Time	10.30 A.M.
Venue	CITY CENTRE Royal Bengal Room DC Block, Sector I Salt Lake, Kolkata 700064

FINANCIAL CALENDAR

1 April to 31 March.

First quarter	27 July 2012
Second quarter	9 November 2012
Third quarter	12 February 2013
Fourth quarter and annual	28 May 2013

For the year ended 31 March 2014, results will be announced by:

First quarter	Within 14 August 2013
Second quarter	Within 14 November 2013
Third quarter	Within 14 February 2014
Fourth quarter and annual	Within 30 May 2014

BOOK CLOSURE AND DIVIDEND DATE

The Register of Members will be closed from Friday 12 July 2013 to Friday 26 July 2013 (both days inclusive) as annual closure for the Annual General Meeting and payment of dividend, if declared.

The Board has recommended a dividend of ₹ 7 per equity share for the year ended 31 March 2013. If declared at the AGM, this dividend would be payable on and from 29 July 2013.

LISTING

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

STOCK CODES

CALCUTTA STOCK EXCHANGE	PHYSICAL: 34; DEMAT: 10000034
BOMBAY STOCK EXCHANGE	PHYSICAL: 84; DEMAT: 500084
NATIONAL STOCK EXCHANGE	CESC
LONDON STOCK EXCHANGE	GB REGISTER: 0162869; INDIAN REGISTER: 6161097
ISIN No.	INE486A01013

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

STOCK DATA AND PERFORMANCE

Table 1 below gives the monthly high and low prices of CESC's equity shares at the Calcutta Stock Exchange Ltd. (CSE), BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the year 2012-13.

TABLE 1: HIGH AND LOW PRICES AT THE CSE*, BSE AND NSE (₹)

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	H	L	H	L
APR, 2012	278.10	250.45	282.85	247.50
MAY, 2012	274.95	251.95	279.90	247.10
JUN, 2012	290.10	263.25	294.55	260.10
JUL, 2012	308.65	282.75	312.85	279.00
AUG, 2012	321.00	299.00	322.75	295.40
SEP, 2012	334.85	294.50	338.90	290.15
OCT, 2012	342.35	272.60	346.50	267.30
NOV, 2012	309.55	273.95	313.45	271.80
DEC, 2012	325.85	304.65	330.00	297.70
JAN, 2013	332.40	308.80	342.00	305.55
FEB, 2013	328.10	279.40	333.95	277.55
MAR, 2013	306.10	264.75	310.90	252.50

* There was no trading in the shares of the Company at CSE during the year.

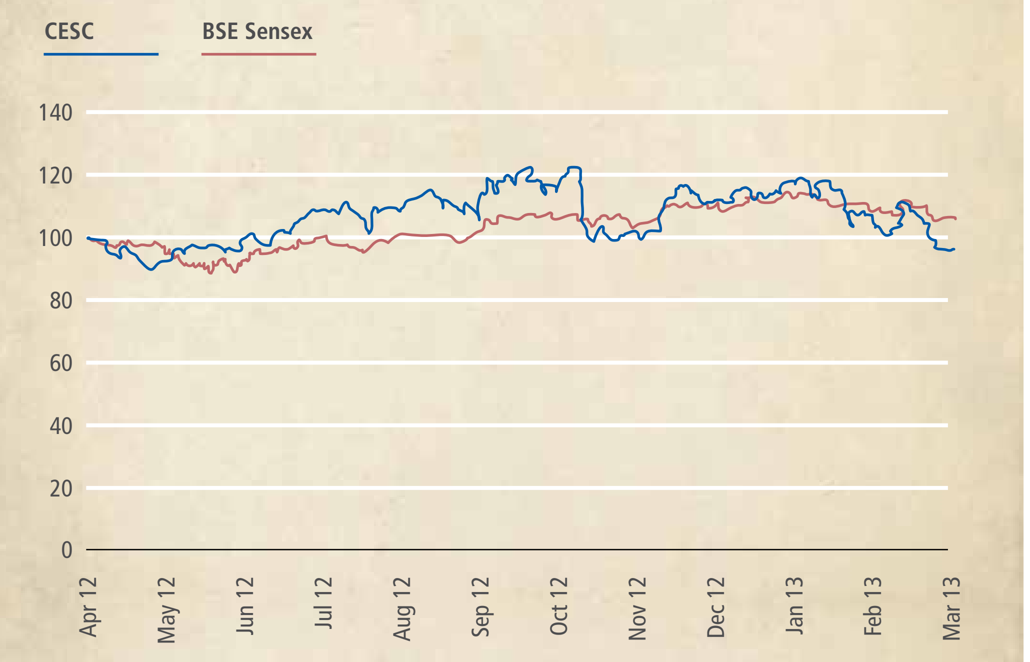
Table 2 provides the closing price of CESC's equity shares on NSE with leading market and sector indices at the last trading day for each month during 2012-13.

TABLE 2: PERFORMANCE IN COMPARISON TO NSE NIFTY, BSE SENSEX, BSE 500 AND BSE POWER INDEX

As on close of last trading day for each month	CESC's Closing Price on NSE (₹)	NSE NIFTY	BSE Sensex	BSE 500 Index	BSE Power Index
APR, 2012	255.45	5248.15	17318.81	6698.51	2012.46
MAY, 2012	268.65	4924.25	16218.53	6280.04	1813.91
JUNE, 2012	289.70	5278.90	17429.98	6682.47	1987.56
JULY, 2012	297.95	5229.00	17236.18	6605.70	1896.90
AUG, 2012	306.50	5258.50	17429.56	6632.34	1870.83
SEP, 2012	331.65	5703.30	18762.74	7206.51	2048.83
OCT, 2012	274.65	5619.70	18505.38	7118.77	1952.14
NOV, 2012	309.75	5879.85	19339.90	7472.45	1980.33
DEC, 2012	317.75	5905.10	19426.71	7581.57	1990.91
JAN, 2013	311.15	6034.75	19894.98	7665.74	1951.22
FEB, 2013	279.85	5693.05	18861.54	7163.69	1744.07
MAR, 2013	264.85	5682.55	18835.77	7084.96	1646.50

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

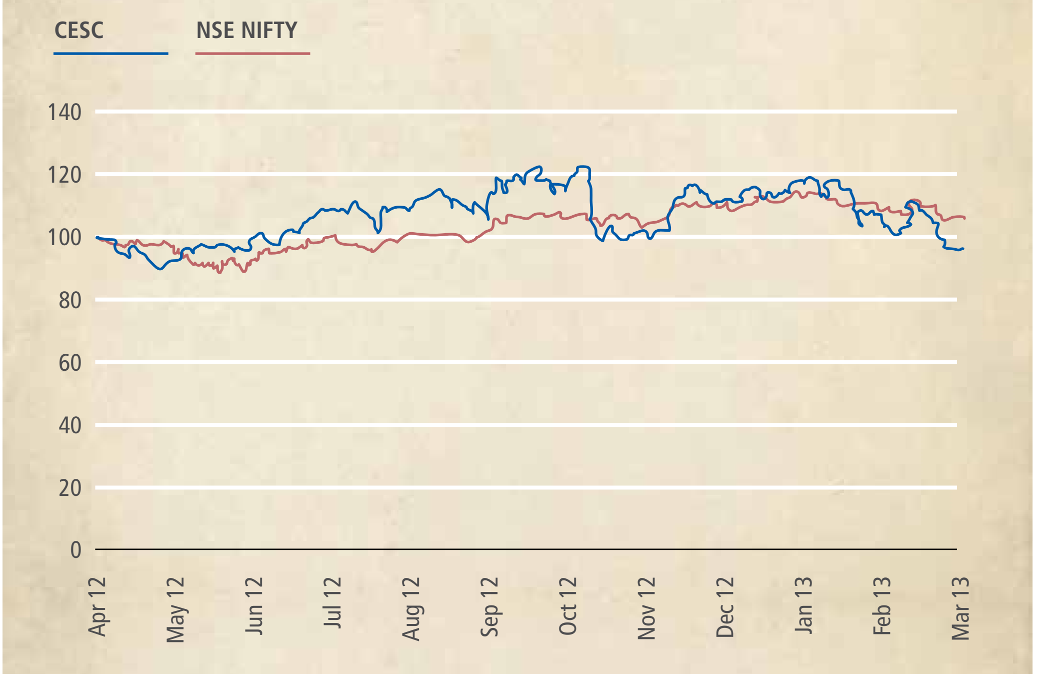
CHART A: CESC SHARE PERFORMANCE VERSUS BSE SENSEX



Note: Share price of CESC and BSE Sensex have been indexed to 100 on 2 April 2012

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 2 April 2012

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 2 April 2012

SHARE TRANSFER AGENTS AND SHARE TRANSFER AND DEMAT SYSTEM

CESC records share transfers through its share transfer agents, whose details are given below.

LINK INTIME INDIA PRIVATE LIMITED
59C Chowringhee Road, 3rd Floor, Kolkata – 700 020

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 Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its share transfer agent.

Share transfers 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 Stock Exchanges. The Registrar and the 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 2013, dematerialised shares accounted for 96.15 % of total equity. There are no subsisting court order in legal proceedings against CESC on any share transfer matter.

Table 3 gives details about the nature of complaints and their status as on 31 March 2013.

TABLE 3: NUMBER AND NATURE OF COMPLAINTS FOR 2012-13

Particulars	NATURE OF COMPLAINT				
	Non-Receipt of Certificates	Change of Address	Non-Receipt of Dividend	Others*	Total
Received during the year	18	2	8	10	38
Attended during the year	18	2	8	10	38
Pending as on 31 March 2013	NIL	NIL	NIL	NIL	NIL

SHAREHOLDING PATTERN

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

* (Non-Receipt of Annual Reports / Non-Receipt of Demat Credit, etc)

TABLE 4: PATTERN OF SHAREHOLDING BY OWNERSHIP AS ON 31 MARCH 2013

	Category	AS ON 31 MARCH 2013	
		Total No. of shares	Percentage
1.	Management Group/Families	**65,572,309**	**52.49**
2.	Institutional Investors		
	a. Mutual Funds and UTI	19,044,661	15.24
	b. Banks, Financial Institutions, Insurance Companies	2,912,366	2.33
	c. FIIs	22,486,681	18.00
	Total	**44,443,708**	**35.57**
3.	Others		
	a. Private Corporate Bodies	7,741,311	6.20
	b. Indian Public	6,090,499	4.87
	c. NRIs / OCBs	1,088,098	0.87
	d. Directors & Relatives (not in control of the Company)	-	-
	Total	**14,919,908**	**11.94**
	Grand Total	**124,935,925**	**100.00**

TABLE 5: PATTERN OF SHAREHOLDING BY SHARE CLASS AS ON 31 MARCH 2013

Shareholding Class	No of shareholders	No of shares held	Shareholding %
Up to 2,500	42,196	5,591,074	4.48
2,501 to 5,000	207	735,717	0.59
5,001 to 10,000	102	739,735	0.59
10,001 to 20,000	58	822,953	0.66
20,001 to 30,000	29	725,681	0.58
30,001 to 40,000	8	284,724	0.23
40,001 to 50,000	8	366,697	0.29
50,001 to 100,000	18	1,372,641	1.10
100,001 and above	78	114,296,703	91.48
Total	**42,704**	**124,935,925**	**100.00**

PLANT LOCATIONS

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

INVESTOR CORRESPONDENCE ADDRESS

At the Company's Registered Office Address	At the Registrar's Address
Secretarial Department CESC Limited CESC House Chowringhee Square Kolkata – 700 001 Tel No.: 22040754 Fax No.: 22363868 E-mail :secretarial@rp-sg.in	LINK INTIME INDIA PRIVATE LIMITED 59C Chowringhee Road, 3rd Floor Kolkata – 700 020 Tel No.: 22890540 Fax No.: 22890539 E-mail: kolkata@linkintime.co.in Website: www.linkintime.co.in

For the convenience of UK based shareholders, the Company also has UK Registrars: Computershare Investor Services plc., P.O. Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH, Telephone: 0870 703 6300, Fax : 0870 703 6114. **Website: www.computershare.com**

COMPLIANCE OFFICER FOR INVESTOR REDRESSAL

Mr Subhasis Mitra, Company Secretary, is the Compliance Officer for investor related matters.

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

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. During the year, an amount of ₹ 16,08,002/- was transferred to IEPF on 30 August, 2012.

Year	Date of payment	Due date for credit to IEPF	Amount lying unpaid / unclaimed as on 31 March 2013 (₹)
2005-06	24 July 2006	22 August 2013	15,17,542.52
2006-07	1 August 2007	30 August 2014	18,29,123.32
2007-08	1 August 2008	30 August 2015	23,56,678.00
2008-09	27 July 2009	26 August 2016	26,42,787.00
2009-10	1 August 2010	30 August 2017	22,03,904.00
2010-11	1 August 2011	30 August 2018	19,60,476.00
2011-12	1 August 2012	30 August 2019	27,08,740.00

In terms of the shares issued by the Company in physical form, the certificates of which are lying unclaimed, the Company has issued three reminders to their holders. These shares will be transferred into one folio in the name of "Unclaimed Suspense Account" in due course.

On behalf of the Board of Directors

Kolkata, 28 May 2013

Sanjiv Goenka
Chairman

DECLARATION

As required under the relevant provisions of the Listing Agreement entered into by the Company with the Stock Exchanges, it is confirmed that all the Directors and Senior Management Officers have affirmed compliance of the Code of Business Conduct and Ethics during the year 2012-13.

Kolkata, 28 May 2013

S. Banerjee
Managing Director

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of CESC Limited

We have examined the compliance of conditions of Corporate Governance by CESC Limited, for the year ended 31 March 2013, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance 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.

For Lovelock & Lewes
Firm Registration Number-301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No.: 52340

Kolkata
28 May 2013

Particulars relating to Conservation of Energy, Technology Absorption etc. for the year ended 31 March, 2013.

A. CONSERVATION OF ENERGY

1. Following measures taken over the year has contributed to Energy Conservation and Reduction of Losses in Distribution Network.

i. Reactive power compensation by way of installing shunts capacitor banks at various voltage levels of T&D Network. During the year 34 MVAR shunt capacitors were added.

ii. Standardization to higher rated UG cables, 1000 mm^2 at 33 kV & 300 mm^2 at 6/11 kV Distribution Network as an ongoing process.

iii. Continued augmentation of Substation plant capacity and laying new underground and overhead lines.

iv. Induction of energy efficient Distribution Transformers with low losses by including Loss Capitalization as a bid evaluation criterion as an ongoing process.

v. Progressive Voltage upgrade of Distribution Lines and Transformers from 6 kV to 11 kV to lower losses including introduction of Dual ratio transformers. During the year 75 nos. Dual ratio Distribution Transformers have been commissioned.

vi. Installation of energy efficient lamps and luminaries and BEE rated room air-conditioners at various locations.

2. Additional Investment / proposals

Following investments / proposals have been planned in 2013-14 that will contribute to reliability, security and safety in T&D Network:

i. Transformation capacity at Titagarh Receiving station was augmented by 50 MVA by installation of an additional transformer and transformation capacity at Princep Street Receiving station was augmented by 50 MVA by replacing the existing transformers with new 75 MVA units.

ii. A further 124 MVA transformer capacity has been added in the Low Tension (LT) distribution network by commissioning 353 new MVAC sources. A new distribution station was commissioned and plant capacities of ten others were increased, adding transformation capacity by 158 MVA in the 33 kV distribution network.

iii. Commissioning of 126 panels of 33kV GIS are planned during 2013/14 at 16 nos. Substations / Distribution Stations. 108 nos. of 33kV GIS panels have been commissioned in 2012/13 at 8 nos. Substations / Distribution Stations to establish ring-main connectivity at 33kV level and on account of 33kV age-old switch replacement.

iv. The MVAC distribution network was extended by 439.0 ckm — comprising underground and overhead lines. To meet the load growth in the system, substantial addition in the underground cable network across the licensed area was implemented - 6.4 ckm (circuit kilometres) at 220kV; 9.3 ckm at 132 kV; 40. 7 ckm at 33 kV; and 360.0 ckm at 11/6 Kv.

v. Existing switchboards were also extended along with replacement of old circuit breakers at different voltage levels in the 11/6 kV network, where some of the old 6/11 kV cables were replaced by new cross-linked polyethylene (XLPE) cables. 614 Gas Insulated Ring Main Units were installed along with new switchgear.

vi. 15 MVAR power capacitors at 33 kV level and 19 MVAR power capacitors at 6/11 kV level have been installed to relieve loading on the network and enhance the voltage profile.

vii. A total of 202,355 meters were installed, either as new connections or as replacement. 16,154 house service connections were also installed to take care of new supplies and additional loads to enhance efficiency at the point of delivery to the customer.

viii. Conversion of outdoor 132/33kV Substations at Botanical Garden, East Calcutta and Majerhat to Integrated Indoor GIS Substations and thereby enhancing the Transformation Capacity and T&D asset space consolidation.

ix. Commissioning of an integrated 220/132/33kV Indoor GIS substation with 2x160MVA Power Transformers is under progress with a view to supplement un-economical and depleting generation capacity of the age-old NCGS as well as to replace old, un-maintainable switchgears along with T&D asset space consolidation. This will provide a bulk power transfer corridor for evacuation of Haldia generation.

x. Installation and commissioning of 220kV Overhead Transmission line for establishing connectivity with National Grid i.e. between Subhasgram Substation of PGCIL to CESC 220kV E.M. Substation.

xi. Installation and commissioning of 220kV Over-head trans-Hoogly river-crossing Double-circuit Transmission line between Belur Receiving Station and New 220/132/33kV New Cossipore GIS Substation.

xii. Construction of the building for a new 132/33kV Underground Substation at Park Circus has been taken up.

xiii. Installation of about 100 MVAR HV / EHV capacitor banks in the ensuing year.

xiv. New 132/33 kV Substation at Dumdum and second Substation at Patuli and augmentation of transformation capacity at East Calcutta Substation and Titagarh Receiving Station.

3. Impact of the measures

Impact of the measures as outlined under Items above may be set out as follows:

i. Strengthen the Transmission & Distribution Network to cope with the growing System Demand as well as provide quality and reliable supply to the consumers.

ii. Reduce component of T&D loss, enhance safety and network operational simplicity, reduce downtime, reduce frequency of breakdown and improve customer service and system efficiency.

B.TECHNOLOGY ABSORPTION

i. Condition monitoring of major Plant & equipment of the distribution network has been adopted as a non-negotiable imperative to identify potential failure points in the equipment before actual occurrence . This has become an ongoing process and has helped to mitigate damage, downtime significantly and improve reliability of the system network..

ii. Technology is also used to enhance service capability to HT consumers who are covered under automated meter reading from remote sites, using GSM & GPRS communication network.

iii. On the HV distribution network, the Company continued with its efforts to progressively switch over to sulphur hexafluoride gas (SF6)filled state-of-the-art Ring Main Units (RMU) thus enabling safe, on-load operations and quicker restoration of supply outages. AMR of 5900 LTCT operated consumers have been successfully completed for reading of energy consumption from remote and subsequent monthly billing. AMR of 3000 DTs have also been completed and the meter reading data have been made available in our browser based "Meter Data Management System" (MDMS) for viewing loading status, breakdowns of LT HRC fusing etc. and take corrective actions promptly.

iv. The Company embarked on a major drive to install and commission SCADA systems at unmanned Distribution Stations and 30 such systems were successfully commissioned during the year using Optical Fibre communications. These provide a reliable method to monitor and control such Stations remotely from Regional Control Centres (RCCs) and help in restoring power supply to affected areas rapidly. Work is continuing to install such systems at the other Stations at a rapid pace.

v. The U.S. Trade and Development Agency (USTDA) awarded a Grant of $618,860 to CESC Limited to finance a feasibility study for recommending appropriate Smart Grid technologies and pilot projects across the electricity distribution network. The project is a top priority for CESC, and will improve efficiency and energy reliability for its 2.6 million customers. The Agreement was signed in the presence of U.S. Commerce Secretary John Bryson on 26.3.2012 and through a subsequent RFP and Bid process in which 19 reputed US Firms competed, M/s Tetra Tech ES, Inc. won the Contract recently to carry out the Study which will commence shortly.

Research & Development
R&D activities were oriented towards improvements in various operational functions.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There has been foreign exchange earning during the year of ₹ 1.62 crore (Previous year – nil) on account of income from carbon credit and consultancy. The foreign exchange outgo during the year amounted to ₹ 197.40 crore (Previous year - ₹ 198.15 crore) which included repayment of principal and finance charges on foreign currency loans, fuel charges, dividend to non-resident shareholders, fees to UK Registrars, London and Luxembourg Stock Exchange fees, travelling expenses etc.

On behalf of the Board of Directors

Sanjiv Goenka
Chairman

Kolkata, 28 May, 2013

TO THE MEMBERS OF CESC LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of CESC Limited (The "Company"), which comprise the Balance Sheet as at 31 March, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Company's Managment is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'The Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013
   (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
   (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
   (e) On the basis of written representations received from the directors as on 31 March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2013 , from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Lovelock & Lewes
Firm Registration Number -301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No.: 52340

Kolkata
May 28, 2013

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of CESC Limited on the financial statements as of and for the year ended 31 March, 2013

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
   (b) The fixed assets of the Company, except those in the transmission and distribution system for which we have been informed that , physical verification is not practicable , have been physically verified by the management according to a phased programme designed to cover all items over a period of three years , which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme , a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies between book records and physical inventory have been noticed.
   (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

ii. (a) The inventory excluding inventories in transit have been physically verified by the Management during the year. In respect of inventory in transit, these were verified with reference to subsequent receipts. In our opinion, the frequency of verification is reasonable.
   In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
   On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
   (b) The Company has not taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of energy. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weaknesses have been noticed or reported.

v. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register maintained under Section 301 of the Act. Accordingly, the question of commenting on transactions made in pursuance of such contracts and arrangements does not arise.

vi. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the 'Companies (Acceptance of Deposits) Rules, 1975' with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.

vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax as at 31 March, 2013 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in crore)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Sales Tax Act,1994	Sales Tax Meter Rentals	0.30	1992-93	Hon'ble High Court at Calcutta

x The Company has no accumulated losses as at 31 March, 2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceeding financial year.

xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company

xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.

xiv. In our opinion, the Company is not dealer or trader in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.

xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company

xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.

xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company

xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.

xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management except in cases of theft of electricity reported by the loss control cell of the Company the amount for which is not ascertainable.

For Lovelock & Lewes
Firm Registration Number -301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No.: 52340

Kolkata
May 28, 2013

	Particulars	Note No.	₹ in crore As at 31st March, 2013	As at 31st March, 2012
I.	**EQUITY AND LIABILITIES**			
	Shareholders' funds			
	Share capital	3	**125.60**	125.60
	Reserves and surplus	4	**6,369.35**	5,886.17
			6,494.95	6,011.77
	Non-current liabilities			
	Long-term borrowings	5	**2,623.68**	2,167.13
	Deferred tax liabilities(net)	30	**-**	-
	Advance against Depreciation		**714.23**	566.03
	Consumers' Security Deposits		**1,139.06**	1,050.90
	Other long term liabilities	32	**978.33**	799.67
	Long-term provisions	6	**107.27**	89.27
			5,562.57	4,673.00
	Current liabilities			
	Short-term borrowings	7	**492.19**	432.76
	Trade Payables	8	**343.69**	291.03
	Other current liabilities	9	**1,516.68**	1,230.48
	Short-term provisions	10	**119.99**	88.38
			2,472.55	2,042.65
	TOTAL		**14,530.07**	12,727.42
II.	**ASSETS**			
	Non-current assets			
	Fixed assets			
	Tangible assets	11	**8,049.89**	7,585.14
	Intangible assets	12	**121.08**	129.91
	Capital work-in-progress		**397.09**	376.45
			8,568.06	8,091.50
	Non-current investments	13	**2,092.94**	1,048.18
	Long-term loans and advances	14	**78.23**	69.54
	Other non-current assets	15	**4.29**	5.01
			10,743.52	9,214.23
	Current assets			
	Current Investments	16	**85.00**	85.00
	Inventories	17	**325.41**	294.70
	Trade receivables	18	**1,209.38**	977.01
	Cash and bank balances	19	**771.39**	859.84
	Short-term loans and advances	20	**1,337.71**	1,221.47
	Other Current Assets	21	**57.66**	75.17
			3,786.55	3,513.19
	TOTAL		**14,530.07**	12,727.42

Notes forming part of Financial Statements 1 - 45

This is the Balance Sheet referred to in our Report of even date.

For Lovelock & Lewes
Firm Registration Number -301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No.: 52340
Kolkata, May 28, 2013

Subhasis Mitra
Company Secretary

For and on behalf of Board of Directors
Chairman Sanjiv Goenka
Director P. K. Khaitan
Managing Director S. Banerjee

Particulars	Note No.	₹ in Crore 2012-13	2011-12
Revenue from operations	23	**5,317.10**	4,680.54
Other income	24	**92.69**	101.31
TOTAL REVENUE		**5,409.79**	4,781.85
Expenses			
Cost of electrical energy purchased		**945.16**	636.05
Cost of fuel	25	**1,796.75**	1,761.97
Employee benefit expenses	26	**558.52**	470.96
Finance costs	27	**337.52**	275.81
Depreciation and amortisation expenses	28	**306.21**	289.48
Other expenses	29	**692.13**	654.27
Total expenses		**4,636.29**	4,088.54
Profit before tax		**773.50**	693.31
Tax expenses:			
Current		**(155.00)**	(139.00)
Deferred(net)		**(177.53)**	(35.61)
Recoverable/(Payable)		**177.53**	35.61
Profit for the year - transferred to Surplus		**618.50**	554.31
Earnings per share (Face Value of ₹ 10 per share) :			
Basic and Diluted	36	**49.50**	44.37

Notes forming part of Financial Statements 1 - 45

This is the Statement of Profit and Loss referred to in our Report of even date.

For Lovelock & Lewes
Firm Registration Number -301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No.: 52340
Kolkata, May 28, 2013

Subhasis Mitra
Company Secretary

For and on behalf of Board of Directors
Chairman Sanjiv Goenka
Director P. K. Khaitan
Managing Director S. Banerjee

		₹ in crore	
		2012-13	2011-12
A.	**Cash flow from Operating Activities**		
	Profit before Taxation	**773.50**	693.31
	Adjustments for :		
	Depreciation and amortisation expenses	**306.21**	289.48
	Profit on sale / disposal of assets (net)	**(4.28)**	(1.68)
	Gain on sale of current investments (net)	**(16.11)**	(14.23)
	Gain on sale of long term investments	**-**	(0.81)
	Dividend income	**(0.30)**	(0.30)
	Amortisation of Miscellaneous expenditure	**0.72**	0.72
	Allowances for doubtful debts / Advances written back	**-**	(11.99)
	Bad debts / Advances made	**26.74**	25.69
	Interest expenses	**308.49**	273.90
	Interest Income	**(50.81)**	(63.72)
	Advance against depreciation	**148.20**	51.77
	Foreign exchange rate variation	**24.81**	-
	Operating Profit before Working Capital changes	**1,517.17**	1,242.14
	Adjustments for :		
	Trade & other receivables	**(197.97)**	(326.52)
	Inventories	**(30.71)**	(0.26)
	Trade and other payables	**468.09**	252.09
	Cash Generated from Operations	**1,756.58**	1,167.45
	Income Tax paid	**(153.74)**	(144.50)
	Net cash flow from Operating Activities	**1,602.84**	1,022.95
B.	**Cash flow from Investing Activities**		
	Purchase of Fixed Assets / Capital Work-in-Progress	**(872.88)**	(716.33)
	Sale of Fixed Assets	**8.21**	4.26
	Investment in Subsidiaries and Joint Ventures	**(1,044.76)**	(191.63)
	Sale of Current Investments (net)	**16.11**	159.23
	Sale of Long Term Investments	**-**	2.16
	Dividend received	**0.30**	0.30
	Interest received	**64.35**	42.76
	Advance to subsidiaries, Joint Venture for share subscription	**(100.84)**	(108.15)
	Advance to bodies Corporate for share subscription	**(7.88)**	(7.90)
	Net cash used in Investing Activities	**(1,937.39)**	(815.30)
C.	**Cash flow from Financing Activities**		
	Proceeds from Long Term Borrowings	**1,005.00**	482.50
	Repayment of Long Term Borrowings	**(521.47)**	(373.92)
	Repayment of Public Deposits	**(0.04)**	(0.11)
	Net increase / (decrease) in Cash Credit facilities and other Short Term Borrowings	**59.43**	(56.97)
	Capital Contributions and Advance received from Consumers	**108.51**	112.74
	Interest paid	**(332.75)**	(293.01)
	Dividend paid	**(62.45)**	(49.77)
	Dividend tax paid	**(10.13)**	(8.11)
	Net Cash flow from Financing Activities	**246.10**	(186.65)
	Net Increase / (decrease) in cash and cash equivalents	**(88.45)**	21.00
	Cash and Cash equivalents - Opening Balance	**859.84**	838.84
	Cash and Cash equivalents - Closing Balance	**771.39**	859.84

Notes:

a) The Cash Flow Statement has been prepared under the indirect method as given in the Accounting Standard on Cash Flow Statement (AS-3) as per Companies Accounting Standard Rules, 2006.

b) Closing Balance of Cash and Cash equivalents represent "Cash and Bank balances" and includes ₹1.52 crore (31.3.2012- ₹ 1.50 crore) lying in designated accounts with banks on account of unclaimed dividends which are not available for use by the Company and ₹ 117.00 crore (31.3.2012- ₹ 85.70 crore) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.

c) Previous year's figures have been regrouped / rearranged wherever necessary.

This is the Cash Flow Statement referred to in our Report of even date.

For Lovelock & Lewes
Firm Registration Number -301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No.: 52340
Kolkata, May 28, 2013

Subhasis Mitra
Company Secretary

For and on behalf of Board of Directors

Chairman Sanjiv Goenka
Director P. K. Khaitan
Managing Director S. Banerjee

NOTE 1 The operations of the Company are governed by the Electricity Act, 2003 and various Regulations and / or Policies framed thereunder by the appropriate authorities. Accordingly, in preparing the financial statements the relevant provisions of the said Act, Regulations etc. have been duly considered.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Convention

These financial statements have been prepared to comply in all material aspects with the applicable accounting principles in India, including Accounting Standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956 and the Regulations under the Electricity Act, 2003, to the extent applicable. A summary of important accounting policies which have been applied consistently are set out below.

(b) Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified by revaluation of certain fixed assets as stated in item 'c' below.

(c) Tangible Assets

Tangible Assets other than furniture and vehicles acquired upto 31st March, 2005, have been adjusted for the effect of valuation made by an approved external valuer at the then current replacement cost after necessary adjustment for depreciation / amortisation. Subsequent acquisition of these assets, furniture and vehicles are stated at cost of acquisition together with any incidental expenses related to acquisition and appropriate borrowing costs. In case of a project, cost also includes pre-operative expenses and where applicable, expenses during trial run after netting off of revenue earned during trial run and income arising from temporary use of funds pending utilisation. An impairment loss is recognized where applicable, when the carrying value of tangible assets of cash generating unit exceed its market value or value in use, whichever is higher.

(d) Intangible Assets

Intangible assets comprising computer software and brands/trademarks, expected to provide future enduring economic benefits are stated at cost of acquisition / implementation / development less accumulated amortisation. An impairment loss is recognized where applicable, when the carrying value of intangible assets of cash generating unit exceed its market value or value in use, whichever is higher.

(e) Depreciation and Amortisation

In terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a prorata basis at the rates specified therein, the basis of which is considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the tariff for the year of the Company. Additional charge of depreciation for the year on increase in value arising from revaluation is recouped from Revaluation Reserve. Leasehold land is amortized over the unexpired period of the lease.

Cost of intangible assets , comprising computer software related expenditure, are amortised in three years and those relating to brands/trademarks in twenty years, based on useful life assessed by an independent valuer.

(f) Leasing

Lease rentals in respect of assets taken under operating lease are charged to revenue.

(g) Investments

Current Investments are stated at lower of cost and fair value and Non Current Investments are stated at cost. Provision is made where there is a decline, other than temporary, in the value of Non Current Investment.

(h) Inventories

Inventories of stores and spares and fuel are valued at lower of cost and net realizable value. Cost is calculated on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, adjustment is made for such items.

(i) Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rate prevailing at the end of the financial year. Exchange gain or loss arising on settlement / translation is recognized in the Statement of Profit and Loss . The outstanding loans repayable in foreign currency are restated at the year-end exchange rate. Exchange gain or loss arising in respect of such restatement is accounted for as an income or expense with recognition of the said amount as refundable or recoverable, which will be taken into consideration in determining the Company's future tariff in respect of the amount settled duly considering as appropriate, the impact of the contracts entered into for managing risks thereunder.

(j) Revenue from Operations

Earnings from sale of electricity are net of discount for prompt payment of bills and do not include electricity duty payable to the State Government. They also include, as per established practice, consistently followed by the Company in the past, estimated sums recoverable from / adjustable on consumers' account, calculated on the basis of rates approved / specified by the appropriate authorities which are reflected in the subsequent bills. In terms of the applicable regulations and tariff determination process followed by the Commission, advance against depreciation forms part of tariff. Such advance against depreciation of a year is adjusted against earning from sale of electricity for inclusion of the same in subsequent years, based on due consideration by the authorities in the tariff determination process.

Income from meter rent is accounted for as per the approved rates.

Delayed payment surcharge, as a general practice, is determined and recognised on receipt of overdue payment from consumers.

(k) Other Income

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, where applicable.

(l) Employee Benefits

Contributions to Provident Fund and Contributory Pension Fund are accounted for on accrual basis. Provident Fund contributions are made to a fund administered through duly constituted approved independent trust. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and deficiency, if any, is made good by the Company, impact of which is ascertained by way of actuarial valuation as at the year end. The Company, as per its schemes, extend employee benefits current and/or post retirement, which are accounted for on accrual basis and includes actuarial valuation as at the Balance Sheet date in respect of gratuity, leave encashment and certain other retiral benefits, to the extent applicable, made by independent actuary. Actuarial gains and losses, where applicable, are recognised in the Statement of Profit and Loss. Compensation in respect of voluntary retirement scheme is charged off to revenue.

(m) Miscellaneous expenditure to the extent not written off or adjusted

The erstwhile governing statute for the Company, viz., the Electricity (Supply) Act, 1948 (ESA), provided for amortisation of preliminary expenses and certain capital issue expenses over the unexpired period of licence. The Company, as per the consistently applied accounting policy continues with such amortisation of expenditure incurred upto the year 2004-05. Thereafter, pursuant to repeal of ESA, such expenditures are charged off to revenue.

(n) Finance Costs

Finance Costs comprise interest expenses, applicable gain / loss on foreign currency borrowings in appropriate cases and other borrowing costs. Such Finance Costs attributable to acquisition and / or construction of qualifying assets are capitalized as a part of cost of such assets upto the date, where such assets are ready for their intended use. The balance Finance Costs is charged off to revenue. Finance Costs in case of foreign currency borrowings is accounted for as appropriate, duly considering the impact of the contracts entered into for managing risks therefor.

(o) Taxes on Income

Current tax represents the amount payable based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961.

Provision for deferred taxation is made using liability method at the current rates of taxation on all timing differences to the extent it is probable that a liability or asset will crystallize. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof. Since tax on profits forms part of chargeable expenditure under the applicable regulations, deferred tax liability or asset is recoverable or payable through future tariff. Hence, recognition of deferred tax asset or liability is made with corresponding provision of liability or asset, as applicable.

NOTE 3 SHARE CAPITAL

		₹ in Crore As at 31st March, 2013	As at 31st March, 2012
(a)	Authorised Share Capital		
	15,00,00,000 Equity Shares of ₹10 each	**150.00**	150.00
(b)	Issued Capital		
	13,12,35,897 Equity Shares of ₹10 each	**131.24**	131.24
(c)	Subscribed and paid up capital		
	12,49,35,925 Equity Shares of ₹10 each	**124.94**	124.94
(d)	Forfeited Shares (amount originally paid up)	**0.66**	0.66
		125.60	125.60

(e)	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period	**As at 31st March, 2013**		As at 31st March, 2012	
		No. of shares	**Amount (₹ In Crore)**	No. of shares	Amount (₹ In Crore)
	Opening and Closing Balances	**124,935,925**	**124.94**	124,935,925	124.94

(f) Terms /rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share fully paid up. Holders of Equity Shares are entitled to one vote per share. During the year ended 31st March, 2013 the amount of dividend per share recommended by the Board of Directors as distributions to equity shareholders is ₹ 7 (31.03.2012- ₹5) subject to declaration at the ensuing Annual General Meeting by the members . In the event of liquidation of the Company, the holders of equity shares will be entitled to receive sale proceeds from remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders .

(g) Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2013		As at 31st March, 2012	
Name of shareholder	**No. of shares**	**% of holding**	No. of shares	% of holding
Rainbow Investments Limited	**31,058,414**	**25**	31,058,414	25
Universal Industrial Fund Limited	**17,791,421**	**14**	17,791,421	14
HDFC Trustee Company Limited	**10,940,021**	**9**	-	-

(h) 3,10,58,414 Equity Shares of ₹ 10 each were allotted as fully paid-up on 12th October, 2007 pursuant to a Scheme of Amalgamation sanctioned by the Hon'ble High Court at Calcutta, without consideration being received in cash.

NOTE 4 RESERVES AND SURPLUS

		₹ in Crore As at 31st March, 2013	As at 31st March, 2012
(a)	Capital contribution from consumer as at beginning of the year	**646.38**	576.37
	Add : Contribution during the year	**63.86**	70.01
		710.24	646.38
(b)	Capital Redemption Reserve	**20.13**	20.13
(c)	Securities Premium Account	**1,254.85**	1,254.85
(d)	Revaluation Reserve as at the beginning of the year	**1,155.77**	1,264.96
	Less : Withdrawal on account of depreciation / amortisation on amount added on revaluation	**96.34**	105.37
		1,059.43	1,159.59
	Less : Withdrawal of the residual amount added on revaluation consequent to sale/ disposal of revalued assets	**0.52**	3.82
		1,058.91	1,155.77
(e)	Fund for unforeseen exigencies at the beginning of the year	**109.67**	81.57
	Add : Transfer during the year from Surplus (Refer Note (h) below)	**31.88**	28.10
		141.55	109.67
(f)	General Reserve	**2,455.35**	2,055.35
	Add : Transfer during the year from Surplus	**500.00**	400.00
		2,955.35	2,455.35
(g)	Surplus at the beginning of the year	**244.02**	190.41
	Add : Profit for the year	**618.50**	554.31
	Less : Appropriations		
	Transfer to fund for unforeseen exigencies	**31.88**	28.10
	Transfer to General Reserve	**500.00**	400.00
	Proposed Dividend	**87.46**	62.47
	Tax on Proposed Dividend	**14.86**	10.13
		228.32	244.02
		6,369.35	5,886.17

(h) Amount transferred during the year to Fund for unforeseen exigencies to be invested as per the statute.

NOTE 5 LONG-TERM BORROWINGS

		₹ in Crore As at 31st March, 2013	As at 31st March, 2012
(A)	**Secured**		
	Term Loans		
	(1) Rupee Loans :		
	(i) Banks	2,326.11	1,577.03
	(ii) Financial Institutions	266.38	389.55
		2,592.49	1,966.58
	(2) Foreign Currency Loans from banks	654.86	606.79
		3,247.35	2,573.37
(B)	**Unsecured**		
	Floating Rate Notes	-	70.85
		3,247.35	2,644.22
Less :	Current maturities of long term borrowings transferred to Other Current Liabilities (Refer Note 9)	526.20	477.09
Less :	Deferred payment	97.47	-
		2,623.68	2,167.13

(C) Nature of Security :

Out of the Term Loans in (A) above, loans amounting to:

(a) ₹ 2885.84 crore are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Company including its land, buildings and any other constructions thereon, plant and machinery, etc. as a first charge and, as a second charge, by hypothecation of the Company's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances. However, creation of the said mortgage security in respect of seven Rupee Loans and one Foreign Currency Loan aggregating ₹ 1044.15 crore (31.03.2012- ₹ 397.50 crore) is in process. User rights in respect of a freehold land having a book value of ₹ 62.55 crore (31.03.2012- ₹ 68.95 crore) have been offered for financial assistance availed of by a subsidiary company to its lenders; and

(b) ₹ 361.51 crore are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets and current assets of the Company by way of a charge subservient to the charge of the first and second charge holders on the said assets.

(D) Major terms of repayment of Long Term Borrowings :

Maturity Profile of Long Term Borrowings outstanding as at 31st March 2013	₹ in Crore Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Foreign Currency Loans	Total	Current Maturities
Loans with residual maturity of upto 1 year	14.35	10.00	16.44	40.79	40.79
Loans with residual maturity between 1 and 3 years	222.22	-	-	222.22	83.33
Loans with residual maturity between 3 and 5 years	139.29	60.13	240.85	440.27	87.35
Loans with residual maturity between 5 and 10 years	1,750.25	196.25	397.57	2,344.07	307.23
Loans with residual maturity beyond 10 years	200.00	-	-	200.00	7.50
Total	**2,326.11**	**266.38**	**654.86**	**3,247.35**	**526.20**
Less : Deferred Payment					18.99
					507.21

Interest rates on Rupee Term Loans from Banks and Financial Institutions are based on spread over respective Lenders' benchmark rate and that of on Foreign Currency Loans are based on spread over LIBOR.

NOTE 6 LONG TERM PROVISIONS

	₹ in Crore As at 31st March, 2013	As at 31st March, 2012
Provision for employee benefits	**107.27**	89.27
	107.27	89.27

NOTE 7 SHORT-TERM BORROWINGS

		₹ in Crore As at 31st March, 2013	As at 31st March, 2012
A	**Secured**		
	Loans repayable on demand		
	Overdraft from banks	**492.19**	432.76
		492.19	432.76

B Nature of Security

Overdraft facilities from banks in (A) above are secured, ranking pari passu inter se, by hypothecation of the Company's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances as a first charge and as a second charge by equitable mortgage / hypothecation of fixed assets of the Company including its land, buildings and other construction thereon where exists, plant and machinery etc. However, creation of the said mortgage security in respect of overdraft facilities from banks aggregating ₹ 165 crore (31.03.2012 – ₹ 97.60 crore) is in process.

NOTE 8 TRADE PAYABLES

Trade payables include ₹ 3.37 crore (31.3.2012 - ₹ 2.76 crore) due to Micro and Small Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, based on information available with the Company.

₹ 0.00 crore (31.3.2012 - ₹ 0.01 crore) , ₹ 0.14 crore (31.3.2012 - ₹ 0.26 crore) and ₹ 0.40 crore (31.03.2012- ₹ 0.26 crore) representing interest due on amount outstanding as at the year end , interest accrued and due for the period of delay in making payment during the year and interest accrued and remaining unpaid at the year end respectively.

NOTE 9 OTHER CURRENT LIABILITIES

		₹ in Crore As at 31st March, 2013	As at 31st March, 2012
(a)	Current maturities of long-term debt (Refer Note 5)	**507.21**	477.09
(b)	Interest accrued but not due on borrowings	**31.58**	29.47
(c)	Unclaimed dividend	**1.52**	1.50
(d)	Unclaimed public deposit	**0.47**	0.51
(e)	Liabilities on capital account	**99.17**	107.98
(f)	Other payables	**876.73**	613.93
		1,516.68	1,230.48

(g) Unclaimed dividend and unclaimed Public Deposits do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

(h) Other payables include accrued interest on consumer security deposit, employee related liability, creditors towards contractual obligations etc.

NOTE 10 SHORT TERM PROVISIONS

		₹ in Crore As at 31st March, 2013	As at 31st March, 2012
(a)	Provision for employee benefits	**15.56**	14.30
(b)	Provision for taxation (net of advance tax)	**2.11**	1.48
(c)	Proposed Dividend	**87.46**	62.47
(d)	Tax on Proposed Dividend	**14.86**	10.13
		119.99	88.38

NOTE 11 TANGIBLE ASSETS

₹ in Crore

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2012	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2013	As at 1st April, 2012	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Land										
Freehold	840.68	3.00	6.40	837.28	-	-	-	-	837.28	840.68
Leasehold	368.55	0.34	-	368.89	25.66	1.79	-	27.45	341.44	342.89
Buildings and Structures										
Freehold	431.22	12.76	0.23	443.75	85.51	11.17	0.03	96.65	347.10	345.71
Leasehold	251.34	13.09	-	264.43	201.65	3.87	-	205.52	58.91	49.69
Plant and Equipment	5,600.44	315.38	3.42	5,912.40	2,562.08	211.22	2.69	2,770.61	3,141.79	3,038.36
Distribution System	4,261.17	475.52	41.37	4,695.32	1,632.60	135.00	39.12	1,728.48	2,966.84	2,628.57
Meters and Other Apparatus on Consumers' Premises	490.95	26.65	6.42	511.18	233.61	21.22	5.40	249.43	261.75	257.34
River Tunnel	4.88	-	-	4.88	2.51	0.26	-	2.77	2.11	2.37
Furniture and Fixtures	15.08	2.44	0.11	17.41	6.28	0.84	0.06	7.06	10.35	8.80
Office Equipment	77.67	15.74	0.02	93.39	31.72	4.22	0.01	35.93	57.46	45.95
Vehicles	15.86	2.75	0.79	17.82	10.77	1.58	0.60	11.75	6.07	5.09
Railway Sidings										
Freehold	4.73	-	-	4.73	4.46	0.01	-	4.47	0.26	0.27
Leasehold	34.70	-	-	34.70	15.28	0.89	-	16.17	18.53	19.42
	12,397.27	867.67	58.76	13,206.18	4,812.13	392.07	47.91	5,156.29	8,049.89	7,585.14
Previous Year	11,794.56	634.16	31.45	12,397.27	4,455.08	382.10	25.05	4,812.13	7,585.14	

NOTE 12 INTANGIBLE ASSETS

₹ in Crore

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				AMORTISATION				NET BLOCK	
	As at 1st April, 2012	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2013	As at 1st April, 2012	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Brands / Trademarks	150.00	-	-	150.00	22.50	7.50	-	30.00	120.00	127.50
Computer Software	27.76	1.66	-	29.42	25.35	2.99	-	28.34	1.08	2.41
	177.76	1.66	-	179.42	47.85	10.49	-	58.34	121.08	129.91
Previous Year	174.17	3.59	-	177.76	35.10	12.75	-	47.85	129.91	

NOTE 13 NON CURRENT INVESTMENTS

		₹ in Crore	
		As at 31st March , 2013	As at 31st March, 2012
A.	**Trade Investments -Unquoted**		
(a)	**Investments in Equity Instruments**		
	13,000 Equity Shares of Integrated Coal Mining Limited of ₹10 each	**0.01**	0.01
(b)	**Investments in Preference shares**		
	3,00,00,000 1% Cumulative Optionally Convertible Redeemable Preference Shares of Integrated Coal Mining Limited of ₹10 each	**30.00**	30.00
B.	**Other Investments -Unquoted**		
	Investments in Equity Instruments		
	Subsidiary Companies		
	10,40,56,452 (31.03.2012 : 2,46,38,103) Equity Shares of Spencer's Retail Limited of ₹10 each	**152.37**	40.80
	13,00,10,000 (31.03.2012 : 8,50,10,000) Equity Shares of CESC Properties Limited of ₹ 10 each	**130.01**	85.01
	9,00,000 Equity Shares of Nalanda Power Company Limited of ₹ 10 each	**0.90**	0.90
	118,80,50,000 (31.03.2012 : 82,60,50,000) Equity Shares of CESC Infrastructure Limited of ₹ 10 each	**1,188.05**	826.05
	10,00,000 (31.03.2012: NIL) Equity Shares of Ranchi Power Distribution Company Private Limited of ₹ 10 each	**1.00**	-
	47,00,28,050 (31.03.2012:NIL) Equity Shares of Spen Liq Private Limited of ₹ 10 each	**470.00**	-
	50,000 (31.03.2012: NIL) Equity Shares of Papu Hydropower Projects Limited of ₹ 10 each	**10.18**	-
	50,000(31.03.2012: NIL) Equity Shares of Pachi Hydropower Projects Limited of ₹ 10 each	**5.01**	-
	4,72,35,800 (31.03.2012 : 72,35,800) Equity Shares of Surya Vidyut Limited of ₹ 10 each	**47.24**	7.24
	5,00,000 Equity Shares of CESC Projects Limited of ₹ 10 each	**0.50**	0.50
	1,10,00,000 Equity Shares of Bantal Singapore Pte Limited of USD 1 each	**49.24**	49.24
	Joint Venture		
	24,29,800 Equity shares of Mahuagarhi Coal Company Private Limited of ₹ 10 each	**2.43**	2.43
	Others		
	60,00,000 Equity shares of Crescent Power Limited of ₹10 each	**6.00**	6.00
		2,092.94	1,048.18

C. All non- current investments are long term in nature.

NOTE 14 LONG-TERM LOANS AND ADVANCES

		₹ in Crore	
		As at 31st March, 2013	As at 31st March, 2012
	Unsecured , considered good		
(a)	Capital advances	**23.11**	14.73
(b)	Security Deposits	**24.34**	23.65
(c)	Other Loans and advances	**30.78**	31.16
	(Includes advance for property acquisition, employee related loans etc)		
		78.23	69.54

NOTE 15 OTHER NON-CURRENT ASSETS

	₹ in Crore	
	As at 31st March, 2013	As at 31st March, 2012
Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted	**4.29**	5.01
	4.29	5.01

NOTE 16 CURRENT INVESTMENTS

	₹ in Crore	
	As at 31st March, 2013	As at 31st March, 2012
Unquoted - Investments in Mutual Funds		
1,56,106.740 (31.03.2012 : Nil) units of ₹ 1,921.762 each of UTI Liquid Cash Plan - Institutional - Direct Plan - Growth	**30.00**	-
2,19,395.53 (31.03.2012 : Nil) units of ₹ 1,139.494 each of Principal Cash Management Fund -Direct Plan-Growth	**25.00**	-
17,31,102.135 (31.03.2012 : Nil) units of ₹ 173.3 each of ICICI Prudential Liquid - Direct Plan- Growth	**30.00**	-
Nil (31.03.2012 : 3,83,382.045 units of ₹ 1304.1821 each) of IDFC Cash Fund - Super Inst Plan C - Growth	**-**	50.00
Nil (31.03.2012 : 22,07,912.148 units of ₹ 158.5208 each) of ICICI Prudential Institutional Liquid Super Institutional Plan - Growth	**-**	35.00
	85.00	85.00

NOTE 17 INVENTORIES

		₹ in Crore	
		As at 31st March, 2013	As at 31st March, 2012
(a)	Fuel (includes goods in transit ₹ 22.79 Crore ; 31.3.2012 : ₹ 47.92 Crore)	**172.04**	156.48
(b)	Stores and Spares (includes goods in transit ₹ 2.45 Crore; 31.03.2012 : ₹ 1.02 Crore)	**153.37**	138.22
		325.41	294.70

NOTE 18 TRADE RECEIVABLES

		₹ in Crore	
		As at 31st March, 2013	As at 31st March, 2012
(a)	Outstanding for a period exceeding six months		
	Secured , considered good	**26.83**	25.32
	Unsecured , considered good	**195.88**	83.79
	Doubtful	**4.10**	4.10
		226.81	113.21
	Less : Allowances for doubtful debt	**4.10**	4.10
		222.71	109.11
(b)	Other receivables		
	Secured , considered good	**437.73**	397.61
	Unsecured , considered good	**548.94**	470.29
		986.67	867.90
		1,209.38	977.01

NOTE 19 CASH AND BANK BALANCES

		₹ in Crore	
		As at 31st March, 2013	As at 31st March, 2012
(a)	Cash and cash equivalents		
	Balances with banks		
	In Current Account	**85.28**	156.06
	Bank deposits with original maturity upto 3 months [Refer Note (c) below]	**466.09**	389.90
	Cheques , drafts on hand	**12.92**	14.63
	Cash on hand	**5.58**	3.96
		569.87	564.55
(b)	Other bank balances		
	Dividend Accounts	**1.52**	1.50
	Bank deposits with original maturity more than 3 months [Refer Note (d) below]	**200.00**	293.79
		771.39	859.84

(c) Amount lying in deposit accounts with banks as at 31st March, 2013 includes ₹ 26.00 crore (31.03.2012 : ₹ 62.70 crore) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.

(d) Amount lying in deposit accounts with banks as at 31st March, 2013 includes ₹ 91.00 crore (31.03.2012 : ₹ 23.00 crore) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.

(e) Bank deposits with original maturity more than 3 months under Other bank balances include ₹ 18.75 Crore (31.03.2012 : ₹ 50.45 Crore) having original maturity more than 12 months as on the reporting date.

NOTE 20 SHORT-TERM LOANS AND ADVANCES

		₹ in Crore	
		As at 31st March, 2013	As at 31st March, 2012
(a)	Advances to related parties		
	Unsecured , considered good		
	Share application money to subsidiaries	**1,168.41**	1,068.45
	Miscellaneous advance to subsidiaries	**12.81**	4.10
	Miscellaneous advance to joint venture company	**0.88**	-
		1,182.10	1,072.55
(b)	Other Advances		
	Unsecured , considered good		
	Share application money to bodies corporate	**21.38**	13.50
	Advance for goods and services	**36.57**	39.92
	Others *	**97.66**	95.50
		155.61	148.92
		1,337.71	1,221.47

* Above include expenditure incurred by the Company for setting up power projects to be transferred to the specific project developing entities, in due course.

NOTE 21 OTHER CURRENT ASSETS

		₹ in Crore	
		As at 31st March, 2013	As at 31st March, 2012
(a)	Deferred Payment	**-**	21.68
(b)	Receivable towards claims and services rendered		
	-considered good	**25.02**	7.31
(c)	Interest accrued on Bank Deposits	**31.92**	45.46
(d)	Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted	**0.72**	0.72
		57.66	75.17

NOTE 22 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(a) Claims against the Company not acknowledged as debts:

The West Bengal Taxation Tribunal had held meter rentals received by the Company from consumers to be deemed sales under the provisions of the Bengal Finance (Sales Tax) Act, 1941 and that sales tax was payable on such rentals. Based on such findings the Commercial Taxes Directorate assessed ₹ 0.69 crore as sales tax on meter rentals received during the year ended 31st March, 1993 and raised a demand of ₹ 0.36 crore on account of interest. Against the above demand, the Company had deposited a sum of ₹ 0.75 crore with the sales tax authorities and obtained a stay against the balance demand from the Deputy Commissioner of Commercial Taxes. The sales tax authorities also indicated their intention to levy such sales tax on meter rentals for the subsequent years as well, against which, the Company filed a writ petition in the Calcutta High Court and prayed for an interim order, inter alia, restraining the sales tax authorities from proceeding with the assessment for the subsequent years till disposal of the appeal. An interim order has been issued by the High Court permitting the sales tax authorities to carry out assessments but restraining them from serving any assessment order on the Company. The disposal of the case is still pending.

(b) Other money for which the company is contingently liable :
Municipal Tax : ₹ 1.06 crore (31.03.2012: ₹ 1.01 crore) in respect of certain properties, the rates of which are disputed by the Company.

(c) Commitment of the Company on account of estimated amount of contracts remaining to be executed on capital account and others, not provided for amount to ₹ 442.89 crore (31.03.2012: ₹ 136.38 crore).

(d) The Company has ongoing commitment to extend support and provide equity to the subsidiaries, in respect of various projects and otherwise (where, in certain cases there are restriction on transfer of investments). The future cash outflow in respect of above cannot be ascertained at this stage.

(e) For commitment relating to leasing arrangement , refer note no.35

NOTE 23 REVENUE FROM OPERATIONS

		₹ in Crore	
		2012-13	2011-12
(a)	Earnings from sale of electricity	**5,241.79**	4,604.98
(b)	Other Operating Revenue		
	Meter Rent	**42.34**	40.60
	Delayed Payment Surcharge	**14.03**	8.99
	Others	**18.94**	25.97
	(includes provision written back - ₹ NIL ; 31.3.2012 - ₹11.99 crore)		
		5,317.10	4,680.54

(c) Earnings from sale of electricity are determined in accordance with the relevant orders of the Commission, where appropriate, giving due effect to the required adjustments. Such adjustments include the effect of increase in tariff for the account months of April 2012 to November 2012 in terms of the order of the Commission, recovery of which has since commenced and will be made, as directed, and that by netting of a sum of ₹ 42.53 crore (previous year : ₹ 358.93 crore) in respect of the cost of electrical energy purchased, fuel and related costs and also those relating to revenue account, based on the Company's understanding of the applicable regulatory provisions on this count, after giving effect of the impact arising from applicable orders in this regard for earlier years and the net impact of the said adjustments has been included in Other long term liabilities, to the extent appropriate. The accurate quantification and disposal of the matters are being given effect to, from time to time, on receipt of necessary direction from the appropriate authorities. The said earnings are also net of discount for prompt payment of bills allowed to consumers on a net basis from month to month and advance against depreciation amounting to ₹ 81.91 crore (previous year: ₹ 79.35 crore) and ₹ 148.20 crore (previous year: ₹ 51.77 crore) respectively.

NOTE 24 OTHER INCOME

		₹ in Crore	
		2012-13	2011-12
(a)	Interest Income	**50.81**	63.72
(b)	Dividend Income	**0.30**	0.30
(c)	Gain on sale of current investments (net)	**16.11**	14.23
(d)	Gain on sale of long term investments (net)	**-**	0.81
(e)	Profit on sale of assets (net)	**4.28**	1.68
(f)	Other Non-operating Income	**21.19**	20.57
		92.69	101.31

NOTE 25 COST OF FUEL

(a) Cost of fuel includes freight ₹ 286.69 crore (previous year: ₹ 230.98 crore)

(b) Cost of fuel includes loss of ₹ 3.06 crore (previous year: loss of ₹ 4.55 crore) due to exchange fluctuations.

(c) Consumption of fuel:

		2012-13	2011-12
(a) Consumption of coal			
Quantity	Tonnes	**5,560,619**	5,674,416
Value	₹ in Crore	**1,770.00**	1,729.85
(b) Consumption of oil			
Quantity	Kilolitres	**4,005.73**	5,444.19
Value	₹ in Crore	**26.75**	32.12

NOTE 26 EMPLOYEE BENEFIT EXPENSES

		₹ in Crore	
		2012-13	2011-12
(A)			
1	Salaries, wages and bonus	548.29	449.97
2	Contribution to provident and other funds	56.28	49.11
3	Employees' welfare expenses	26.69	26.57
		631.26	525.65
	Less : Allocated / transfer to capital account etc.	72.74	54.69
		558.52	470.96

(B) Employee Benefits

The Company makes contributions for provident fund and pension (including for superannuation) towards retirement benefit plans for eligible employees. Under the said plans, the Company is required to contribute a specified percentage of the employees' salaries to fund the benefits. During the year, based on applicable rates, the Company has recognised ₹ 30.58 crore (previous year: ₹ 29.12 crore) on this count in the Statement of Profit and Loss . The Company also makes annual contribution to independent trust, who in turn, invests in the Employees Group Gratuity Scheme of eligible agencies for qualifying employees. Liabilities at the year-end for gratuity, leave encashment and other retiral benefits including medical have been determined on the basis of actuarial valuation carried out by an independent actuary, based on the method prescribed in Accounting Standard 15 – "Employee Benefits" of the Companies (Accounting Standard) Rules, 2006.

Net Liability / (Asset) recognized in the Balance Sheet:

	₹ in Crore							
	For the year ended 31st March, 2013				For the year ended 31st March, 2012			
	Gratuity	Leave Encashment	Medical	Pension	Gratuity	Leave Encashment	Medical	Pension
Present value of funded obligation	192.57	-	-	-	169.55	-	-	-
Fair Value of Plan Assets	183.43	-	-	-	160.74	-	-	-
	9.14	-	-	-	8.81	-	-	-
Present value of un-funded obligation	-	69.11	23.70	20.86	-	59.46	18.59	16.71
Unrecognised past service cost	-	-	-	-	-	-	-	-
Net Liability/(Asset)	9.14	69.11	23.70	20.86	8.81	59.46	18.59	16.71

	₹ in Crore					
	For the year ended 31st March, 2011			For the year ended 31st March, 2010		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Present value of funded obligation	153.29	-	-	130.53	-	-
Fair Value of Plan Assets	151.86	-	-	111.01	-	-
	1.43	-	-	19.52	-	-
Present value of un-funded obligation	-	55.57	17.33	-	48.04	15.39
Unrecognised past service cost	-	-	-	-	-	-
Net Liability/(Asset)	1.43	55.57	17.33	19.52	48.04	15.39

	₹ in Crore		
	For the year ended 31st March, 2009		
	Gratuity	Leave Encashment	Medical
Present value of funded obligation	99.14	-	-
Fair Value of Plan Assets	106.42	-	-
	(7.28)	-	-
Present value of un-funded obligation	-	49.61	14.08
Unrecognised past service cost	-	-	-
Net Liability/(Asset)	(7.28)	49.61	14.08

Experience Adjustment

	₹ in Crore						
	2012-13				2011-12		
	Gratuity	Leave Encashment	Medical	Pension	Gratuity	Leave Encashment	Medical
Experience (Gain) / Loss adjustment on plan liabilities	7.80	3.96	3.51	7.20	15.02	3.36	1.66
Experience (Gain) / Loss adjustment on plan assets	(1.53)	-	-	-	(0.20)	-	-
Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption	7.30	3.01	0.95	(0.22)	(4.92)	(1.92)	(1.04)
	13.57	6.97	4.46	6.98	9.90	1.44	0.62

Expenditure shown in the Note 26 to Statement of Profit and Loss as follows:

	₹ in Crore						
	For the year ended 31st March, 2013				For the year ended 31st March,2012		
	Gratuity	Leave Encashment	Medical	Pension	Gratuity	Leave Encashment	Medical
Current Service Cost	7.92	1.72	-	-	7.27	1.60	-
Interest Cost	14.21	5.02	1.59	-	12.24	4.49	1.41
Expected Return on Plan Assets	(14.36)	-	-	-	(12.52)	-	-
Actuarial loss/(gain)	13.57	6.97	4.46	6.98	9.90	1.44	0.62
Past Service Cost	-	-	-	-	-	-	-
Total	21.34	13.71	6.05	6.98	16.89	7.53	2.03

Reconciliation of Opening and Closing Balances of the present value of obligations:

	₹ in Crore						
	For the year ended 31st March, 2013				For the year ended 31st March,2012		
	Gratuity	Leave Encashment	Medical	Pension	Gratuity	Leave Encashment	Medical
Opening defined benefit obligation	169.55	59.46	18.59	16.71	153.29	55.57	17.33
Current Service Cost	7.92	1.72	-	-	7.27	1.60	-
Interest Cost	14.21	5.02	1.59	-	12.24	4.49	1.41
Plan Amendments	-	-	-	-	-	-	-
Actuarial loss/(gain)	15.10	6.97	4.46	6.98	10.09	1.44	0.62
Benefits paid	(14.21)	(4.06)	(0.94)	(2.83)	(13.34)	(3.64)	(0.77)
Closing Defined Benefit Obligation	192.57	69.11	23.70	20.86	169.55	59.46	18.59

Reconciliation of Opening and Closing Balances of fair value of plan assets:

	₹ in Crore						
	For the year ended 31st March, 2013				For the year ended 31st March,2012		
	Gratuity	Leave Encashment	Medical	Pension	Gratuity	Leave Encashment	Medical
Opening fair value of Plan Assets	160.74	-	-	-	151.86	-	-
Expected Return on Plan Assets	14.36	-	-	-	12.52	-	-
Actual Company Contributions	21.01	-	-	-	9.50	-	-
Actuarial gain/(loss)	1.53	-	-	-	0.20	-	-
Benefits paid	(14.21)	-	-	-	(13.34)	-	-
Closing Fair Value on Plan Assets	183.43	-	-	-	160.74	-	-
Actual Return on Plan Assets	₹ 15.89 crore				₹12.72 crore		

Plan Assets consist of funds maintained with LICI, ICICI Prudential, Birla Sun Life and HDFC Standard Life.

Above disclosures as required by AS -15 -" Employee Benefits" are given to the extent available from the actuarial report.

Effect of increase/decrease of one percentage point in the assumed medical inflation rates:

	₹ in Crore			
	For the year ended 31st March, 2013		For the year ended 31st March,2012	
	Increase	Decrease	Increase	Decrease
Effect on aggregate of interest cost and current service cost	-	-	-	-
Effect on defined benefit obligation	0.24	(0.17)*	0.19	(0.13)*

* in case of hospitalised treatment only

Principal Actuarial Assumptions Used:

	₹ in Crore	
	For the year ended 31st March, 2013	For the year ended 31st March,2012
Discount Rates	8.20%	8.75%
Expected Return on Plan Assets	8.75%	8.35%
Rate of increase in medical cost trend	2.50%	2.50%
Mortality Rates	"LIC 2006-08 Ultimate"	"LIC 1994-96 Ultimate"

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors . The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations. The contribution expected to be made by the Company for the year ending 31st March, 2014 is not readily ascertainable and therefore not disclosed.

NOTE 27 FINANCE COSTS

		₹ in Crore	
		2012-13	2011-12
(a)	Interest expense	334.86	295.14
(b)	Other Borrowing Costs	6.55	4.91
(c)	Applicable net loss on foreign currency transactions and translation	24.81	8.79
		366.22	308.84
	Less : Allocated to capital and deferred payment account	28.70	33.03
		337.52	275.81

NOTE 28 DEPRECIATION AND AMORTISATION EXPENSES

	₹ in Crore	
	2012-13	2011-12
Depreciation/ amortisation on tangible assets	392.06	382.10
Amortisation on intangible assets	10.49	12.75
	402.55	394.85
Less : Recoupment from revaluation reserve	96.34	105.37
	306.21	289.48

NOTE 29 OTHER EXPENSES

		₹ in Crore	
		2012-13	2011-12
(a)	Consumption of stores and spares	299.67	288.08
(b)	Repairs		
	Building	12.66	11.74
	Plant and Machinery	88.46	62.39
	Distribution System	97.51	98.01
	Others	3.98	3.67
		202.61	175.81
(c)	Insurance	7.50	6.86
(d)	Rent (including lease rent ₹ 11.11 crore; previous year - ₹ 10.66 crore)	18.06	16.52
(e)	Rates and taxes	8.62	8.20
(f)	Bad debts / Advances made	26.74	25.69
(g)	Amortisation of miscellaneous expenditure	0.72	0.72
(h)	Interest on Consumers' Security Deposits	70.81	64.60
(i)	Foreign Exchange Restatement	116.46	-
(j)	Miscellaneous expenses	243.92	226.92
		995.11	813.40
	Less : Allocated / transfer to capital , deferred payment etc.	302.98	159.13
		692.13	654.27

(k) Miscellaneous expenses in (j) above include research and development expense of ₹ 1.32 crore (previous year : ₹ 1.17 crore).

(l) Miscellaneous expenses shown in (j) above include Auditors' Remuneration and expenses:

	₹ in Crore	
	2012-13	2011-12
1. Audit fees	0.45	0.35
2. Tax Audit	0.05	0.04
3. Other Services	0.89	0.49
4. Reimbursement of expenses (including applicable service tax)	0.04	0.16

(m) Values of raw materials and stores and spare parts consumed (excluding on capital account):

	2012-13		2011-12	
	₹ in Crore	%	₹ in Crore	%
Raw Material				
Imported	249.38	13.88	213.52	12.12
Indigenous	1,547.37	86.12	1,548.45	87.88
	1,796.75	100.00	1,761.97	100.00
Stores and Spare Parts				
Imported	-	-	-	-
Indigenous	118.33	100.00	128.95	100.00
	118.33	100.00	128.95	100.00

NOTE 30 The major components of Deferred Tax Assets / (Liabilities) based on the timing difference as at 31st March, 2013 are as under:

	₹ in Crore	
	2012-13	2011-12
Liabilities		
Excess of tax depreciation over book depreciation	**(886.46)**	(709.48)
Assets		
Items covered under section 43 B	**15.30**	14.55
Others including items covered under section 35DDA, 35 DD	**0.59**	1.89
	(870.57)	(693.04)
Less : Recoverable	**870.57**	693.04
Deferred Tax Liabilities (Net)	**-**	-

NOTE 31 The Members of the Company at the Thirtieth Annual General Meeting held on 30th July, 2008 and the Central Government vide its letter dated 20th August, 2009 approved payment of commission to the non executive directors from 2008-09 to 2012-13 at a rate not exceeding 1% per annum of the net profits of the Company computed in the manner laid down in Section 198(1) of the Companies Act, 1956.

In respect of the years 2011-12 and 2012-13, payment of the said commission at a rate not exceeding 3% of the said net profits of the Company has been approved at the Thirty-fourth Annual General Meeting of the members of the Company held on 27th July, 2012 for which approval of Central Government is awaited. Accordingly, the commission proposed for non-executive directors in excess of 1% of the net profits, i.e., ₹ 15.96 crore for the year 2012-13, is subject to the said approval.

NOTE 32 Other long term liabilities represent those arising from adjustments detailed in Note 23 and the unadjusted balance of sums received from consumers for Capital jobs, pending completion thereof.

NOTE 33 Outstanding foreign currency loans as on 31st March, 2013 as disclosed in Note 5, stands fully hedged in Indian Rupee. Trade Payables include ₹ 41.74 crore (31.03.2012 : ₹ 76.60 crore) representing amount payable in United States Dollar which have not been hedged.

NOTE 34 Based on a review of the projected business prospects of the Company's subsidiaries, inspite of present losses therein, the management does not foresee any diminution, other than temporary, in the value of the Company's investments and share application money placed therein.

NOTE 35 Future rentals payable in respect of non-cancellable leases for assets comprising various equipment and vehicles acquired under operating leases for the period ranging between 36-60 months work out to ₹ 2.76 crore (previous year : ₹ 8.93 crore) and ₹ 0.77 crore (previous year : ₹ 2.27 crore) during next one year and thereafter till five years respectively. There are no restrictions in respect of such leases.

NOTE 36 Earnings per share:

Computation of Earnings per share

Particulars		2012-13	2011-12
Profit After Tax (₹ in Crore)	(A)	**618.50**	554.31
Weighted Average no. of shares for Earnings per share	(B)	**12,49,35,925**	12,49,35,925
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)		**49.50**	44.37

NOTE 37 The Company is engaged in generation and distribution of electricity and does not operate in any other reportable segment.

NOTE 38 Related Parties disclosures

(a) Related Parties and their relationship

Names of Related Parties	Nature of Relationship
Spencer's Retail Limited	Subsidiary Company
Au Bon Pain Café India Limited	Subsidiary of Spencer's Retail Limited
Music World Retail Limited	Subsidiary of Spencer's Retail Limited
CESC Properties Limited	Subsidiary Company
Metromark Green Commodities Pvt. Ltd.	Subsidiary of CESC Properties Limited
CESC Infrastructure Limited	Subsidiary Company
Haldia Energy Limited	Subsidiary of CESC Infrastructure Limited
Dhariwal Infrastructure Limited	Subsidiary of CESC Infrastructure Limited
Noida Power Company Limited	Subsidiary of CESC Infrastructure Limited from 23rd July, 2012 to 18th March, 2013
Surya Vidyut Limited	Subsidiary Company
Nalanda Power Company Limited	Subsidiary Company
CESC Projects Limited	Subsidiary Company
Bantal Singapore Pte. Limited	Subsidiary Company
Ranchi Power Distribution Company Private Limited	Subsidiary Company w.e.f. 12th November, 2012
Pachi Hydropower Projects Limited	Subsidiary Company w.e.f. 15th May, 2012
Papu Hydropower Projects Limited	Subsidiary Company w.e.f. 15th May, 2012
Spen Liq Private Limited	Subsidiary Company w.e.f. 9th October, 2012
Firstsource Solutions Limited	Subsidiary of Spen Liq Private Limited w.e.f. 5th December, 2012
Firstsource Group USA, Inc.	Subsidiary of Firstsource Solutions Limited w.e.f. 5th December, 2012
Firstsource BPO Ireland Ltd.	Subsidiary of Firstsource Solutions Limited w.e.f. 5th December, 2012
Firstsource Solutions UK Ltd.	Subsidiary of Firstsource Solutions Limited w.e.f. 5th December, 2012
Anunta Tech Infrastructure Services Ltd.	Subsidiary of Firstsource Solutions Limited w.e.f. 5th December, 2012
Firstsource-Dialog Solutions Pvt. Ltd.	Subsidiary of Firstsource Solutions Limited w.e.f. 5th December, 2012
MedAssist Holding, Inc.	Subsidiary of Firstsource Group USA, Inc. w.e.f. 5th December, 2012
Firstsource Business Process Services, LLC	Subsidiary of Firstsource Group USA, Inc. w.e.f. 5th December, 2012
Firstsource Solutions USA, LLC	Subsidiary of MedAssist Holding, Inc. w.e.f. 5th December, 2012
Firstsource Advantage, LLC	Subsidiary of Firstsource Business Process Services, LLC w.e.f. 5th December, 2012
Firstsource Transaction Services, LLC	Subsidiary of Firstsource Solutions USA, LLC w.e.f. 5th December, 2012
Twin Lakes Property LLC (Twinlakes-I)	Subsidiary of Firstsource Advantage, LLC w.e.f. 5th December, 2012
Twin Lakes Property LLC (Twinlakes-II)	Subsidiary of Firstsource Advantage, LLC w.e.f. 5th December, 2012
Mahuagarhi Coal Company Private Limited (*)	Joint Venture
Mr. Sumantra Banerjee	Key Management Personnel

(*) Mahuagarhi Coal Company Private Limited (MCCPL) was incorporated in India for development of Mahuagarhi coal field and exploration of coal there from as a joint venture company with 50% participation of the Company in MCCPL's share capital, in terms of the requirements of allocation of the coal block by the Ministry of Coal, Government of India, which is yet to commence its commercial operation. The interests of the Company as at 31st March, 2013 in the assets, liabilities and expenses of the joint venture are ₹ 3.20 crore (31st March, 2012 : ₹ 2.27 crore), ₹ 0.05 crore (31st March, 2012 : ₹ 0.00 crore) and ₹ 0.01 crore (previous year : ₹ 0.03 crore) respectively.

(b) Details of transaction between the Company and related parties and status of outstanding balance

Nature of Transactions	₹ In crore							
	Subsidiaries		Joint Venture		Key Management Personnel		Total	
	31-Mar-13	31-Mar-12	**31-Mar-13**	31-Mar-12	**31-Mar-13**	31-Mar-12	**31-Mar-13**	31-Mar-12
Acquisition of investment								
- Spencer's Retail Limited	**111.57**	-					**111.57**	-
- CESC Infrastructure Limited	**362.00**	110.00					**362.00**	110.00
- CESC Properties Limited	**45.00**	24.96					**45.00**	24.96
- Nalanda Power Company Limited	**-**	0.85					**-**	0.85
- Surya Vidyut Limited	**40.00**	7.24					**40.00**	7.24
(includes in respect of previous year shares of ₹ 4.05 crore and advance for share subscription of ₹ 0.19 crore purchased during the previous year from Haldia Energy Limited)							**-**	-
- CESC Projects Limited	**-**	0.50					**-**	0.50
- Bantal Singapore Pte Limited	**-**	49.24					**-**	49.24
- Papu Hydropower Projects Limited	**10.18**	-					**10.18**	-
- Pachi Hydropower Projects Limited	**5.01**	-					**5.01**	-
- Spen Liq Private limited	**470.00**	-					**470.00**	-
- Ranchi Power Distribution Company Private Limited	**1.00**	-					**1.00**	-
- Mahuagarhi Coal Company Private Limited			**-**	2.43			**-**	2.43
Advance for Share Subscription								
- Spencer's Retail Limited	**167.00**	108.15					**167.00**	108.15
(net of refund of ₹ 600 crore; previous year - ₹ 360.50 crore)								
- CESC Properties Limited	**62.00**	24.00					**62.00**	24.00
(net of refund of ₹ Nil; previous year - ₹ 90 crore)								
- CESC Infrastructure Limited	**362.00**	110.00					**362.00**	110.00
- Surya Vidyut Limited	**40.00**	3.00					**40.00**	3.00
(net of refund of ₹ 1 crore; previous year - ₹ 10 crore)								
- Nalanda Power Company Limited	**0.45**	-					**0.45**	-
- CESC Projects Limited	**3.00**	0.45					**3.00**	0.45
- Papu Hydropower Projects Limited	**1.77**	-					**1.77**	-
- Pachi Hydropower Projects Limited	**2.37**	-					**2.37**	-
- Spen Liq Private limited	**472.02**	-					**472.02**	-
(net of refund of ₹ 177 crore; previous year - ₹ Nil)								
- Ranchi Power Distribution Company Private Limited	**1.00**	-					**1.00**	-
- Mahuagarhi Coal Company Private Limited			**0.80**	0.65			**0.80**	0.65
Expense Recoverable								
- Dhariwal Infrastructure Limited	**1.35**	(0.48)					**1.35**	(0.48)
(net of recovery of ₹ Nil; previous year - ₹ 1.30 crore)								
- CESC Properties Limited	**0.98**	-					**0.98**	-
(net of recovery of ₹ 0.00 crore; previous year ₹ Nil)								
- CESC Projects Limited	**0.02**	-					**0.02**	-
(net of recovery of ₹ 0.02 crore; previous year ₹ Nil)								
- Ranchi Power Distribution Company Private Limited	**1.20**	-					**1.20**	-
- Mahuagarhi Coal Company Private Limited			**0.08**	-			**0.08**	-
- Haldia Energy Limited	**5.16**	1.00					**5.16**	1.00
(net of recovery of ₹ 0.03 crore; previous year - ₹ 2.39 crore)								
Income from sale / services								
- Spencer's Retail Limited	**7.86**	15.62					**7.86**	15.62
- Music World Retail Limited	**0.20**	0.23					**0.20**	0.23
- CESC Properties Limited	**11.00**	-					**11.00**	-
Adjustments made - CESC Properties Limited	**-**	2.48					**-**	2.48
Expenses incurred - Spencers' Retail Ltd.	**0.07**	-					**0.07**	-
Advance received from Cunsumers for Capital jobs - CESC Properties Limited	**0.75**	-					**0.75**	-
Security Deposit								
- CESC Properties Limited	**0.04**	-					**0.04**	-
- Spencer's Retail Limited	**0.02**	-					**0.02**	-
Remuneration					**4.78**	4.73	**4.78**	4.73
Outstanding Balance								
- Debit	**1,205.61**	1,078.85	**-**	-	**-**	-	**1,205.61**	1,078.85
- Credit	**-**	-	**-**	-	**3.50**	3.50	**3.50**	3.50

NOTE 39 C.I.F. value of imports :

	₹ in Crore	
	2012-13	2011-12
Fuel	**190.58**	190.99
Capital goods	**1.94**	-
Total	**192.52**	190.99

NOTE 40 Expenditure in foreign currency:

	₹ in Crore	
	2012-13	2011-12
Travelling	**0.76**	1.10
Technical services fees	**-**	0.81
Interest	**1.24**	1.41
Others	**2.50**	3.53
Total	**4.50**	6.85

NOTE 41 Dividend remitted in foreign currency :

On account of dividends to non-resident shareholders relating to previous year

	2012-13			2011-12		
	No. of Share-holders	**No. of Shares held**	**Net amount remitted (₹ in Crore)**	No. of Share-holders	No. of Shares held	Net amount remitted (₹ in Crore)
Equity Dividend	**368**	**764,374**	**0.38**	384	790,523	0.31

NOTE 42 Earnings in foreign exchange :

	₹ in Crore	
	2012-13	2011-12
Income from Carbon Credit	**0.29**	-
Income from Consultancy	**1.33**	-
Total	**1.62**	-

NOTE 43 Quantitative information :

		(Million kWh)	
		2012-13	2011-12
(a)	Total number of units generated during the year	**8715**	8938
(b)	Total number of units consumed in Generating Stations	**740**	759
(c)	Total number of units sent out	**7975**	8179
(d)	Total number of units purchased during the year	**1845**	1432
(e)	Total number of units through Unscheduled Interchange (Net)	**16**	8
(f)	Total number of units delivered	**9836**	9619
(g)	Total number of units sold as per meter readings	**8577**	8271
(h)	Total number of units sold to persons other than own consumers and WBSEDCL	**26**	126
(i)	Total number of units consumed in Company's premises	**20**	20
(j)	Total number of Units sold to WBSEDCL	**48**	47

NOTE 44 The derated installed capacity of the Generating Stations of the Company (as per certification of technical expert) as on 31st March, 2013 was 1225000 kW (31st March, 2012 : 1225000 kW).

NOTE 45 The Company has reclassified previous year's figures to conform to this year's classification alongwith other regrouping/ rearrangement wherever necessary.

For Lovelock & Lewes
Firm Registration Number -301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No.: 52340
Kolkata, 28th May, 2013

Subhasis Mitra
Company Secretary

For and on behalf of Board of Directors
Chairman Sanjiv Goenka
Director P. K. Khaitan
Managing Director S. Banerjee

										₹ in crore
Year ended 31st March	2004	2005	2006	2007	2008	2009	2010	2011	2012	**2013**
Revenue from operations and Other Income	2,416	2,387	2,589	2,577	2,930	3,200	3,449	4,247	4,782	**5,410**
Profit before Taxation	93	163	204	341	403	465	522	614	693	**773**
Taxation	7	13	20	40	48	55	89	126	139	**155**
Profit after Taxation	86	150	184	301	355	410	433	488	554	**618**
Proposed Dividend including tax thereon		21	23	35	58	58	58	58	73	**102**
EQUITY AND LIABILITIES										
Share Capital	67	75	83	85	126	126	126	126	126	**126**
Equity Warrant issued and subscribed			4							
Reserves and Surplus	1,309	1,464	3,606	3,730	4,461	4,757	5,071	5,444	5,886	**6,369**
Borrowings	2,609	2,167	1,910	1,798	1,629	2,398	2,812	2,643	2,600	**3,116**
Security Deposits	373	441	560	652	742	821	896	935	1,051	**1,139**
Advance against Depreciation				100	198	338	447	514	566	**714**
Non-Current Liabilities								809	889	**1,085**
Current Liabilities (excluding Short Term Borrowings)	847	755	751	983	1,214	1,687	1,729	1,261	1,609	**1,981**
	5,205	4,902	6,914	7,348	8,370	10,127	11,081	11,732	12,727	**14,530**
ASSETS										
Fixed Assets (less Depreciation)	4,035	3,843	5,566	5,556	5,829	6,882	7,511	7,735	8,091	**8,568**
Investments	30	31	31	241	570	310	679	1,084	1,133	**2,178**
Non-Current Assets								96	75	**82**
Current Assets (Excluding Current Investments)	1,140	1,028	1,317	1,551	1,971	2,935	2,891	2,817	3,428	**3,702**
	5,205	4,902	6,914	7,348	8,370	10,127	11,081	11,732	12,727	**14,530**
Additions to Fixed Assets	146	146	161	232	302	694	1,954	625	638	**870**
Depreciation	296	292	254	158	168	175	206	267	289	**306**
Units sold (millions)	5,711	5,864	6,251	6,424	6,948	7,206	7,595	8,135	8,271	**8,577**
Units exported (millions)	7	160	418	458	441	302	158	146	173	**74**
System Maximum Demand (megawatts)	1,281	1,253	1,343	1,359	1,436	1,450	1,584	1,657	1,727	**1,904**
No. of Consumers (in Lakh)	19.49	20.19	20.96	21.83	22.08	22.94	23.84	24.89	25.86	**27.02**

Note:
The Company was using pre-revised Schedule VI to the Companies Act ,1956, for preparation and presentation of its financial statement for previous year's figures till the year ended 31st March, 2011. During the year ended 31st March, 2012, the revised Schedule VI notified under Companies Act,1956 has become applicable to the Company. The Company has reclassified previous year's figures to conform to this year's classification alongwith other regrouping / rearrangement whereever necessary.

To the Board of Directors of CESC Limited

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of CESC Limited ("the Company"), its subsidiaries and jointly controlled entity; hereinafter referred to as the "Group" (refer Note 1(b) and 1(c) to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at 31st March, 2013, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

6. In respect of one of the subsidiaries, the auditors had made the following observation:

   Attention is drawn to note no. 13 to the financial statements regarding continuation of net deferred tax asset (DTA) of ₹ 31,053.45 lakhs (₹ 32,154.69 lakhs) in the accounts based on the future profitability projections made by the management. However, in the absence of virtual certainty as stated in Accounting Standard 22 on Deferred Taxes, we are unable to express any opinion on the above projections and their consequent impact if any, on such Deferred Tax Asset.

   Had the above asset been reversed, there would be a loss of ₹ 51,967.53 lakhs as against the reported loss of ₹ 20,914.08 lakhs and shareholder's funds would have reduced by ₹ 31,053.45 lakhs. This had also caused us to qualify our audit opinion on the financial statements relating to the preceding year.

Qualified Opinion

7. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under Section 211(3C) of the Companies Act, 1956.

8. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 10 below, and to the best of our information and according to the explanations given to us, in our opinion, subject to our remarks in paragraph 6 above, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;

   (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

   (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

9. In respect of one of the subsidiaries, the auditors had made the following observation:

   Without qualifying our opinion, we draw attention to Note 38 to the consolidated financial statements that describes the early adoption by the Group of Accounting Standard (AS) 30, Financial Instruments: Recognition and Measurements, read with AS 31, Financial Instruments – Presentation along with prescribed limited revisions to other accounting standards issued by the Institute of Chartered Accountants of India, as in management's opinion, it more appropriately reflects the nature/ substance of the related transactions. AS 30, along with prescribed limited revisions to other accounting standards, has not yet been notified under the Companies (Accounting Standards) Rules, 2006. Consequent to early adoption of AS 30 and the related limited revisions, the profit after taxation for the period and reserves and surplus as at the balance sheet date is lower by ₹ 279 million and is higher by ₹ 20 million respectively.

Other Matter

10. We did not audit the financial statements of 27 subsidiaries and a jointly controlled entity included in the consolidated financial statements, which constitute total assets of ₹ 9,040 crore and net assets of ₹ 2,228 crore as at 31st March, 2013, total revenue of ₹ 2,309 crore, net loss of ₹ 95 crore and net cash flows amounting to ₹ (118 crore) for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

For Lovelock & Lewes
Firm Registration Number -301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No.: 52340

Kolkata
May 28, 2013

	Particulars	Note No.	₹ in crore As at 31st March, 2013	As at 31st March, 2012
I.	**EQUITY AND LIABILITIES**			
	Shareholders' funds			
	Share capital	4	**125.60**	125.60
	Reserves and surplus	5	**5,017.97**	4,716.70
			5,143.57	4,842.30
	Minority Interest		**742.50**	2.69
	Non-current liabilities			
	Long-term borrowings	6	**7,713.81**	4,300.73
	Deferred tax liabilities(net)	34	**28.50**	-
	Advance against Depreciation		**714.23**	566.03
	Consumers' Security Deposit		**1,138.78**	1,050.90
	Other long term liabilities	7	**1,343.22**	992.00
	Long-term provisions	8	**137.09**	94.55
			11,075.63	7,004.21
	Current liabilities			
	Short-term borrowings	9	**1,043.27**	993.95
	Trade Payables		**625.01**	434.16
	Other current liabilities	10	**2,152.84**	1,407.21
	Short-term provisions	11	**140.83**	102.58
			3,961.95	2,937.90
	TOTAL		**20,923.65**	14,787.10
II.	**ASSETS**			
	Non-current assets			
	Fixed assets			
	Tangible assets	12	**8,620.49**	7,914.52
	Intangible assets	13	**2,292.17**	355.10
	Capital work-in-progress		**5,109.68**	2,454.21
	(Includes share of Joint Venture- ₹ 3.12 crore; 31st March, 2012 ₹ 2.23 crore)		**16,022.34**	10,723.83
	Non-current investments	14	**97.56**	91.36
	Deferred tax assets (net)	34	**310.53**	321.55
	Long-term loans and advances	15	**533.38**	548.90
	Other non-current assets	16	**69.11**	5.01
			17,032.92	11,690.65
	Current assets			
	Current Investments	17	**114.74**	85.00
	Inventories	18	**434.23**	407.74
	Trade receivables	19	**1,620.10**	994.08
	Cash and bank balances	20	**1,333.62**	1,343.25
	Short-term loans and advances	21	**207.83**	194.31
	Other Current Assets	22	**180.21**	72.07
			3,890.73	3,096.45
	TOTAL		**20,923.65**	14,787.10

Notes forming part of Consolidated Financial Statements 1 - 48

This is the Consolidated Balance Sheet referred to in our Report of even date.

For Lovelock & Lewes
Firm Registration Number -301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No.: 52340
Kolkata, May 28, 2013

Subhasis Mitra
Company Secretary

For and on behalf of Board of Directors
Chairman Sanjiv Goenka
Director P. K. Khaitan
Managing Director S. Banerjee

Particulars	Note No.	₹ in crore 2012-13	2011-12
Revenue from operations	24	**7,570.68**	5,891.72
Other income	25	**129.70**	132.26
TOTAL REVENUE		**7,700.38**	6,023.98
Expenses			
Cost of electrical energy purchased for Power Business		**945.16**	636.05
Cost of materials consumed for Retail Business	26	**6.24**	2.71
Purchases of stock-in -trade for Retail Business		**1,083.53**	1,005.30
Changes in inventories of finished goods, stock-in-trade and work- in -progress for Retail Business	27	**12.49**	0.28
Cost of fuel for Power Business	28	**1,796.75**	1,761.97
Employee benefit expenses	29	**1,307.36**	598.62
Finance costs	30	**430.41**	345.09
Depreciation and amortisation expenses	31	**364.53**	340.05
Other expenses	32	**1,128.58**	914.60
TOTAL EXPENSES		**7,075.05**	5,604.67
Profit before Taxation, Exceptional Items and Minority Interest		**625.33**	419.31
Exceptional Items	38	**31.33**	(25.71)
Profit before Taxation and Minority Interest		**656.66**	393.60
Tax expenses:			
Current		**(161.78)**	(149.15)
Deferred(net)		**(192.00)**	(36.00)
Recoverable/(Payable)		**178.00**	36.00
Profit after Taxation and Exceptional Items before Minority Interest		**480.88**	244.45
Minority Interest		**(21.50)**	1.43
Profit for the year - transferred to Surplus		**459.38**	245.88
Earnings per share(Face Value of ₹ 10 per share) :			
Basic and Diluted before Exceptional Items	35	**34.26**	21.74
Basic and Diluted after Exceptional Items		**36.77**	19.68

Notes forming part of Consolidated Financial Statements **1 - 48**

This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

For Lovelock & Lewes
Firm Registration Number -301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No.: 52340
Kolkata, May 28, 2013

Subhasis Mitra
Company Secretary

For and on behalf of Board of Directors
Chairman Sanjiv Goenka
Director P. K. Khaitan
Managing Director S. Banerjee

		₹ in crore	
		2012-13	2011-12
A.	**Cash flow from Operating Activities**		
	Profit before Exceptional Items and Taxation	625.33	419.31
	Adjustments for :		
	Depreciation and amortisation expenses	364.53	340.05
	Loss / (Profit) on sale / disposal of assets (net)	(0.56)	4.18
	Gain on sale of current investments (net)	(19.41)	(22.65)
	Gain on sale of long term investments	-	(0.81)
	Dividend Income	(0.31)	(0.30)
	Amortisation of Miscellaneous expenditure	0.72	0.72
	Provision for obsolete stock	(7.12)	-
	Allowances for doubtful debts, Store / Lease Deposits / Advances made / Security deposit	0.65	1.68
	Bad debts / Advances made	27.34	25.72
	Interest Expenses	391.65	332.43
	Interest Income	(59.93)	(65.38)
	Advance against depreciation	148.20	51.77
	Provision for Lease equalisation	(2.97)	10.80
	Liability / Provision Written Back	(4.70)	(15.09)
	Foreign exchange rate variation	24.81	-
	Capital work-in-progress written off	4.14	-
	Effect of Foreign Currency Transactions / Translation (net)	(31.22)	-
	Rent expense on account of adoption of AS 30	1.75	-
	Operating Profit before Working Capital changes	**1,462.90**	1,082.43
	Adjustments for :		
	Trade and other receivables	(48.62)	(443.16)
	Inventories	(19.37)	(3.72)
	Trade and other payables	608.61	419.70
	Cash Generated from Operations	**2,003.52**	1,055.25
	Income Tax Paid	(147.89)	(144.50)
	Net cash flow from Operating Activities	**1,855.63**	910.75
B.	**Cash flow from Investing Activities**		
	Purchase of Fixed Assets / Capital Work-in-Progress	(3,614.77)	(2,451.93)
	Sale of Fixed Assets	15.28	7.33
	Purchase of long term investments	-	(47.90)
	Sale of Current Investments (net)	53.40	340.53
	Sale of Long Term Investments	-	2.16
	Dividend received	0.31	0.30
	Interest received	76.95	57.58
	Advance to bodies Corporate for share subscription	(7.88)	(40.63)
	Investment on acquisitions	(504.81)	-
	Net cash used in Investing Activities	**(3,981.52)**	(2,132.56)
C.	**Cash flow from Financing Activities**		
	Issue of Share Capital	1.00	2.01
	Proceeds from Long Term Borrowings	3,106.36	2,089.29
	Repayment of Long Term Borrowings	(562.62)	(388.92)
	Repayment of Public Deposits	(0.04)	(0.11)
	Net decrease in Cash Credit facilities and other Short Term Borrowings	(94.31)	(56.97)
	Capital Contributions and Advance received from Consumers	108.51	112.74
	Interest paid	(546.45)	(364.21)
	Dividends paid	(62.45)	(49.77)
	Dividend tax paid	(10.13)	(8.11)
	Net Cash flow from Financing Activities	**1,939.87**	1,335.95
	Net Increase / (Decrease) in cash and cash equivalents	**(186.02)**	114.14
	Cash and Cash equivalents - Opening Balance	1,343.25	1,229.11
	Cash and cash equivalents on acquisition of subsidiaries [Refer Note (c) below]	176.39	-
	Cash and Cash equivalents - Closing Balance	1,333.62	1,343.25

Notes:

a) The Cash Flow Statement has been prepared under the indirect method as given in the Accounting Standard on Cash Flow Statement (AS-3) as per Companies (Accounting Standard) Rules, 2006.

b) Closing Balance of Cash and Cash equivalents represent "Cash and Bank balances" and includes ₹1.52 crore (31st March, 2012 - ₹ 1.50 crore) lying in designated accounts with banks on account of unclaimed dividends which are not available for use by the Company, ₹ 117.00 crore (31st March, 2012 - ₹ 85.70 crore) appropriated upto the 31st March, 2013 towards Fund for unforeseen exigencies and interest attributable thereto, ₹ 16.11 crore (31st March, 2012 : ₹ 16.49 crore) pledged with banks against Bank Guarantee and Overdraft facilities with respect to one of the subsidiaries and balance in Escrow account of ₹ 21.87 crore (31st March, 2012 - ₹ 0.45 crore) in respect of another subsidiary.

c) Closing balance of Cash and Cash equivalents include ₹ 176.39 crore arising consequent to acquisition of Spen Liq Private Limited, Papu Hydropower Projects Limited, Pachi Hydropower Projects Limited by CESC Limited and Firstsource Solutions Limited by Spen Liq Private Limited during the year.

d) Previous year's figures have been regrouped / rearranged wherever necessary.

This is the Cash Flow Statement referred to in our Report of even date.

For Lovelock & Lewes
Firm Registration Number -301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No.: 52340
Kolkata, May 28, 2013

Subhasis Mitra
Company Secretary

For and on behalf of Board of Directors

Chairman Sanjiv Goenka
Director P. K. Khaitan
Managing Director S. Banerjee

NOTE 1 a) Basis of Preparation

The Consolidated Financial Statements comprises of the financial statements of CESC Limited (the Parent), its subsidiaries and proportionate interests in joint venture entity. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 on "Consolidated Financial Statements" and Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures" notified under Companies (Accounting Standard) Rules, 2006.

The Consolidated Financial Statements are prepared on the following basis :

- The audited financial statements of the Parent and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances, intra-group transactions and unrealized profits or losses thereon have been fully eliminated.
- The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Parent.
- Joint venture has been accounted for in the Consolidated Financial Statements using the proportionate consolidation method whereby a venturer's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is accounted for on a pro-rata basis.

b) The subsidiaries considered in the preparation of the Consolidated Financial Statements are:

Sl. No.	Name of the Subsidiaries	Country of Incorporation	Percentage of ownership interest as at 31st March, 2013	Percentage of ownership interest as at 31st March, 2012
1	Spencer's Retail Limited (SRL) (94.72% subsidiary till 30th June, 2012 and 100% subsidiary w.e.f 1st July, 2012)	India	**100**	94.72
2	Music World Retail Limited (100% subsidiary of SRL)	India	**100**	94.72
3	Au Bon Pain Café India Limited (80% subsidiary of SRL)	India	**80**	75.78
4	CESC Properties Limited (CPL)	India	**100**	100
5	Metromark Green Commodities Private Limited (100% subsidiary of CPL)	India	**100**	100
6	CESC Infrastructure Limited (CIL)	India	**100**	100
7	Haldia Energy Limited (HEL)	India	**100**	100
8	Dhariwal Infrastructure Limited (DIL)	India	**100**	100
9	Surya Vidyut Limited (SVL)	India	**100**	100
10	Nalanda Power Company Limited	India	**100**	100
11	CESC Projects Limited (w.e.f 13th June, 2011)	India	**100**	100
12	Bantal Singapore Pte Ltd (w.e.f 30th May, 2011)	Singapore	**100**	100
13	Pachi Hydropower Projects Limited (w.e.f 15th May, 2012)	India	**100**	-
14	Papu Hydropower Projects Limited (w.e.f 15th May, 2012)	India	**100**	-
15	Ranchi Power Distribution Company Private Limited (w.e.f 12th November, 2012)	India	**100**	-
16	Spen Liq Private Limited (SLPL) (w.e.f 9th October, 2012)	India	**100**	-
17	Firstsource Solutions Limited (FSL) (49.5% subsidiary of SLPL from 5th December, 2012 till 7th February, 2013 and 56.86% subsidiary of SLPL w.e.f 8th February, 2013)	UK	**56.86**	-
18	Firstsource Group USA, Inc. (FG USA) (100% subsidiary of FSL)	USA	**56.86**	-
19	Firstsource BPO Ireland Ltd. (100% subsidiary of FSL)	Ireland	**56.86**	-
20	Firstsource Solutions UK Ltd. (FS UK) (100% subsidiary of FSL)	UK	**56.86**	-
21	Anunta Tech Infrastructure Services Ltd. (100% subsidiary of FSL)	India	**56.86**	-
22	Firstsource-Dialog Solutions Pvt. Ltd. (74% subsidiary of FSL)	Srilanka	**42.08**	-
23	MedAssist Holding, Inc. (MH Inc.) (100% subsidiary of FG USA)	USA	**56.86**	-
24	Firstsource Business Process Services, LLC (FBPS) (100% subsidiary of FG USA)	USA	**56.86**	-
25	Firstsource Solutions USA, LLC (FS USA) (100% subsidiary of MH Inc.)	USA	**56.86**	-
26	Firstsource Advantage, LLC (FA) (100% subsidiary of FBPS)	USA	**56.86**	-
27	Firstsource Transaction Services, LLC (100% subsidiary of FS USA)	USA	**56.86**	-
28	Twin Lakes Property LLC (Twinlakes-I) (100% subsidiary of FA)	USA	**56.86**	-
29	Twin Lakes Property LLC (Twinlakes-II) (100% subsidiary of FA)	USA	**56.86**	-

The subsidiary companies appearing in Sl. Nos. 4 to 16 except Sl. No. 9 are yet to commence their commercial operations.

During the year, Noida Power Company Limited became a subsidiary of CESC Infrastructure Limited for the period 23rd July, 2012 to 18th March, 2013. However, in view of its temporary holding for the aforesaid period, the financial statements of Noida Power Company Limited have not been consolidated in these consolidated financial statements.

c) Interests in joint venture :

The Group's interests in jointly controlled entity (incorporated joint venture) remains in Mahuagarhi Coal Company Private Limited, which was incorporated in India on 4th April, 2008 and percentage of ownership interest as at 31st March, 2013 stands at 50%. The company was incorporated for the development of Mahuagarhi coal field and exploration of coal therefrom and is yet to commence commercial operations.

NOTE 2 The operations of the Parent are governed by the Electricity Act, 2003 and various Regulations and/or policies framed thereunder by the appropriate authorities. Accordingly, in preparing the financial statements, the relevant provisions of the said Act, Regulations etc., have been duly considered.

NOTE 3 Significant Accounting Policies

(a) Accounting Convention

These consolidated financial statements have been prepared to comply in all material aspects with the applicable accounting principles in India, including Accounting Standards notified u/s 211(3C) of the Companies Act, 1956. A summary of important accounting policies are set out below.

(b) Basis of Accounting

The consolidated financial statements have been prepared under the historical cost convention, modified by revaluation of certain fixed assets as stated in item 3 (c). Certain subsidiaries of the group early adopted Accounting Standard 30, 'Financial Instruments: Recognition and Measurement' ('AS 30') read with Accounting Standard 31 - 'Financial Instruments: Presentation' ('AS 31') issued by the Institute of Chartered Accountants of India effective 1 April 2008.

(c) Tangible Assets

Tangible Assets are stated at historical cost of acquisition except tangible assets other than furniture and fixtures, office equipments and vehicles acquired upto 31st March, 2005 of the Parent. Those assets have been adjusted for the effect of valuation made by an approved external valuer at the then current replacement cost after necessary adjustment for depreciation / amortisation. Subsequent acquisition of these assets, furniture and fixtures, office equipments and vehicles are stated at cost of acquisition together with any incidental expenses related to acquisition and appropriate borrowing costs. In case of a project, cost also includes pre-operative expenses and where applicable, expenses during trial run after netting off of revenue earned during trial run and income arising from temporary use of funds pending utilisation. With respect to certain subsidiaries, expenditure in respect of improvements, etc. carried out at the rented / leased premises are capitalized and expenditure incurred in setting up the stores are capitalized as a part of the leasehold improvements.

(d) Intangible Assets

Intangible assets comprising computer software, trademarks, licences, café opening fees, and franchisee rights expected to provide future enduring economic benefits, are stated at cost of acquisition / implementation / development less accumulated amortisation. In respect of certain subsidiaries, software product development costs are expensed as incurred during the research phase until technological feasibility is established. Software development costs incurred subsequent to the achievement of technological feasibility are capitalised and amortised over the estimated useful life of the products as determined by the management. This capitalisation is done only if there is an intention and ability to complete the product, the product is likely to generate future economic benefits, adequate resources to complete the product are available and such expenses can be accurately measured. Such software development costs comprise expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to the development of the product.

(e) Impairment of assets

An impairment loss is recognized, where applicable, when the carrying value of assets of cash generating unit exceed its market value or value in use, whichever is higher.
In respect of certain subsidiaries, impairment loss is recognised as follows :

a. Financial assets

Certain subsidiaries assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If any such indication exists, the Group estimates the amount of impairment loss. The amount of loss for short-term receivables is measured as the difference between the assets carrying amount and undiscounted amount of future cash flows. Reduction, if any, is recognised in the consolidated statement of profit and loss. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, the recognised impairment loss is reversed, subject to maximum of initial carrying amount of the short-term receivable.

b. Non-financial assets

Certain subsidiaries assesses at each balance sheet date whether there is any indication that a non- financial asset including goodwill may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the consolidated statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(f) Depreciation / Amortization

With respect to the Parent, in terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a prorata basis at the rates specified therein, the basis of which is considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the tariff for the year of the Parent. Additional charge of depreciation for the year on increase in value arising from revaluation is recouped from Revaluation Reserve.

Leasehold land is amortized over the unexpired period of the lease.

Cost of intangible assets, comprising computer software related expenditure, are amortised in three years, except in case of a subsidiary, where such assets amounting to ₹ 11.72 crore (Gross Block) as at 31st March, 2013 (previous year : ₹ 9.07 crore) are amortised over a period of six years. In respect of another subsidiary, such intangible assets amounting to ₹ 3.18 crore (Gross Block) as at 31st March, 2013 (previous year: ₹ 3.11 crore) are amortised over a period of 4 to 10 years. In respect of another subsidiary, such intangible assets amounting to ₹ 106.03 crore (Gross Block) as at 31st March 2013 (previous year: not applicable) are amortised over a period of 2 to 4 years. In respect of certain subsidiaries,higher rate of depreciation is applied based on the useful life of relevant assets (which are shorter than those prescribed under the Companies Act, 1956) (Gross Block – ₹ 617.73 crore, previous year: not applicable). Trademarks, and licences are amortised over a period of twenty years, and nine to ten years respectively based on assessment of useful life.

In respect of certain subsidiaries, Licence is amortised over a period of 3 years. Goodwill on acquired assets , amounting to ₹ 88.71 crore (previous year : not applicable) are amortised over a period of 5 years or estimated useful life, whichever is shorter.

For certain subsidiaries, depreciation is charged on straight line method at the rates prescribed in Schedule XIV under the Companies Act, 1956 and in one of the subsidiaries in certain cases a higher rate of depreciation is applied based on the useful life of the relevant assets (Gross Block – ₹ 756.69 crore, previous year : ₹ 450.57 crore). In case of other subsidiaries, depreciation on fixed assets (Gross Block – ₹ 19.68 crore, previous year : ₹ 101.09 crore) is provided on written down value method at the rates prescribed in Schedule XIV under the Companies Act, 1956.

(g) Expenditure during construction

Twelve of the subsidiaries and the joint venture entity are yet to commence commercial operation.
Indirect expenses related to the project and incidental thereto are included under Capital Work in Progress and to be capitalized subsequently.

Indirect expenditure which are not directly related to the project are charged off to the Statement of Profit and Loss.

(h) Leasing

Lease rentals in respect of assets taken under operating lease are charged to revenue.

In case of one of the subsidiaries, finance leases, which effectively transfer substantially all the risk and benefits incidental to the ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the leased liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

Assets given on finance lease, in respect of certain subsidiaries are shown as amounts recoverable from the lessee. The rentals received on such leases are apportioned between the finance charge / (income) and principal amount using the implicit rate of return. The finance charge / income is recognised as income, and principal received is reduced from the amount receivable. All initial direct costs incurred are included in the cost of the asset.

In case there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

(i) Investments

Current Investments are stated at lower of cost and fair value and Long Term Investments are stated at cost. Provision is made where there is a decline, other than temporary, in the value of Non Current Investment.

(j) Inventories

Inventories are valued at lower of cost and net realizable value. Cost is calculated on weighted average basis and comprises of expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, adjustment is made for such items.

(k) Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rate prevailing at the end of the financial year. Exchange gain or loss arising on settlement / translation is recognized in the Statement of Profit and Loss . The outstanding loans repayable in foreign currency are restated at the year-end exchange rate. With respect to the Parent, exchange gain or loss arising in respect of such restatement is accounted for as an income or expense with recognition of the said amount as refundable or recoverable, which will be taken into consideration in determining the Parent's future tariff in respect of the amount settled duly considering as appropriate, the impact of the contracts entered into for managing risks thereunder.

In respect of one of the subsidiaries, the outstanding loans repayable in foreign currency are restated at year end exchange rates or such other applicable rates considering the concerned coverages made by that subsidiary.

Certain subsidiaries measure the financial liabilities, except for derivative financial liabilities, at amortised cost using the effective interest method. It measures the short-term payables with no stated rate of interest at original invoice amount, if the effect of discounting is immaterial.

The consolidated financial statements are reported in Indian rupees. The translation of the local currency of each integral foreign subsidiary within the Group into Indian rupees is performed in respect of assets and liabilities other than fixed assets, using the exchange rate in effect at the balance sheet date and for revenue and expense items other than the depreciation costs, using average exchange rate during the reporting period. Fixed assets of integral foreign operations are translated at exchange rates on the date of the transaction and depreciation on fixed assets is translated at exchange rates used for translation of the underlying fixed assets.

In respect of certain subsidiaries, fixed assets are translated at exchange rates on the date of the transaction and depreciation on fixed assets is translated at exchange rates used for translation of the underlying fixed assets.

In respect of certain subsidiaries, assets and liabilities including fixed assets are translated at exchange rates prevailing at the date of the balance sheet. The items in the statement of profit and loss are translated at the average exchange rate during the period. Goodwill arising on the acquisition of non-integral operation is translated at exchange rates prevailing at the date of the balance sheet. The difference arising out of the translations are transferred to exchange difference on consolidation of non-integral subsidiaries under Reserves and surplus.

With respect to one of the subsidiaries, exchange differences arising on monetary items that qualify as hedging instruments in a cash flow hedge or hedge of a net investment, is initially recognised in Hedging Reserve Account or Foreign Currency Translation Reserve Account respectively. Such exchange differences are subsequently recognised in the consolidated statement of profit and loss on occurrence of the underlying hedged transaction or on disposal of the investment, as the case may be.

Derivative instruments and hedge accounting with respect to certain subsidiaries :

Certain subsidiaries are exposed to foreign currency fluctuations on net investments in foreign operations and forecasted cash flows denominated in foreign currencies. The subsidiary limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. It enters into derivative financial instruments, where the counterparty is a bank.

The use of foreign currency forward contracts is governed by one of the subsidiary Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with it's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

Certain subsidiaries uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain forecasted transactions and designate these as cash flow hedges.

Foreign currency derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholder's funds and the ineffective portion is recognised immediately in the consolidated statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the consolidated statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the consolidated statement of profit and loss for the period.

Non-derivative financial instruments and hedge accounting with respect to certain subsidiaries;

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets of one of the subsidiaries mainly include cash and bank balances, accounts receivables, unbilled revenues, finance lease receivables, employee travel and other advances, other loans and advances and derivative financial instruments with a positive fair value. Financial liabilities of the subsidiaries mainly comprise secured and unsecured loans, trade payables, accrued expenses and derivative financial instruments with a negative fair value. Financial assets / liabilities are recognised on the consolidated balance sheet when one of the subsidiary Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when all of risks and rewards of the ownership have been transferred. The transfer of risks and rewards is evaluated by comparing the exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred assets.

Short-term receivables with no stated interest rates are measured at original invoice amount, if the effect of discounting is immaterial. Non-interest-bearing deposits are discounted to their present value.

It also designates financial instruments as hedges of net investments in non-integral foreign operations. The portion of changes in fair value of financial instrument that is determined to be an effective hedge is recognised in Foreign Currency

Translation Reserve and would be recognised in consolidated statement of profit and loss upon sale / disposal of the related non-integral foreign operations. Changes in fair value relating to the ineffective portion of hedges are recognised in the consolidated statement of profit and loss as they arise.

(l) Revenue from Operations

Earnings from sale of electricity of the Parent are net of discount for prompt payment of bills and do not include electricity duty payable to the State Government. They also include, as per established practice, consistently followed by the Parent in the past, estimated sums recoverable from / adjustable on consumers' account, calculated on the basis of rates approved / specified by the appropriate authorities which are reflected in the subsequent bills. In terms of the applicable regulations and tariff determination process followed by the Commission, advance against depreciation forms part of tariff. Such advance against depreciation of a year is adjusted against earning from sale of electricity for inclusion of the same in subsequent years, based on due consideration by the authorities in the tariff determination process.

With respect to the Parent, income from meter rent is accounted for as per the approved rates and delayed payment surcharge, as a general practice, is determined and recognized on receipt of overdue payment from consumers.

With respect to the subsidiaries, revenue is recognized when significant risk and rewards of ownership of the goods get passed on to the buyers.

In respect of certain subsidiaries, revenue from contact center and transaction processing services comprises from both time/unit price and fixed fee based service contracts. Revenue from time/ unit price based contracts is recognised as services are rendered and is billed in accordance with the contractual terms specified in the customer contracts. Revenue from fixed fee based service contracts is recognised on achievement of performance milestones specified in the customer contracts. Revenue from debt collection services is recognised when debts are realized. Revenue from contingency based contracts, in which the client is invoiced for a percentage of the hospital's third party reimbursement, is recognised on approval of such services by relevant authorities. Unbilled receivables represent costs incurred and revenues recognised on contracts to be billed in subsequent periods as per the terms of the contract.

(m) Other Income

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, where applicable.

With respect to certain subsidiaries, income from recoveries and services mainly represents recoveries made on account of advertisement for use of space by the customer and other expenses charged from suppliers and are recognized and recorded based on the arrangements with concerned parties.

Government Grants

In respect of certain subsidiaries, revenue grants are recognised when reasonable certainty exists that the conditions precedent will be / are met and the grants will be realised, on a systematic basis in the consolidated statement of profit and loss over the period necessary to match them with the related cost which they are intended to compensate.

(n) Employee Benefits

Contributions to Provident Fund and contributory Pension Fund are accounted for on accrual basis. Provident Fund contributions are made to funds administered through duly constituted approved independent Trusts or Regional Provident Fund Commissioner. The interest rate payable to the members of the trust fund shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and deficiency, if any, is made good by the Companies. The employer, as per its schemes, extend employee benefits current and/or post retirement, which are accounted for on accrual basis, and includes actuarial valuation as at the balance sheet date in respect of gratuity, leave encashment and certain medical benefits, to the extent applicable, made by independent actuaries. Actuarial gains and losses, where applicable, are recognized in the Statement of Profit and Loss. Compensation in respect of voluntary retirement scheme is charged off to revenue.

In respect of one of the subsidiaries short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

The subsidiaries in the United States of America have a savings and investment plan under Section 401 (k) of the Internal Revenue Code of the United Sates of America. This is a defined contribution plan. Contributions made under the plan are charged to the consolidated statement of profit and loss in the period in which they accrue. Other retirement benefits are accrued based on the amounts payable as per local regulations.

(o) Finance Costs

Finance Costs comprise interest expenses, applicable gain / loss on foreign currency borrowings in appropriate cases and borrowing costs. Such finance costs attributable to acquisition and / or construction of qualifying assets are capitalized as a part of cost of such assets upto the date where such assets are ready for their intended use. Other borrowing costs are charged to revenue. In respect of one of the subsidiaries ancillary costs amounting to ₹ Nil (previous year : ₹ 1.52 crore) incurred in connection with the arrangement of borrowings are amortized over the period of borrowings for which these are incurred.

(p) Taxes on Income

Current tax represents the amount payable based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961.

Certain subsidiaries has operations in Special Economic Zones (SEZ). Income from SEZ are eligible for 100% deduction for the first five years, 50% deduction for next five years and 50% deduction for another five years, subject to fulfilling certain conditions. In this regard, the Group recognises deferred taxes in respect of those originating timing differences which reverse after the tax holiday period resulting in tax consequences. Timing differences which originate and reverse within the tax holiday period do not result in tax consequence and, therefore, no deferred taxes are recognised in respect of the same.

Provision for deferred taxation is made using liability method at the current rates of taxation on all timing differences to the extent it is probable that a liability or asset will crystallize. Deferred tax assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred tax liability or asset will give rise to actual tax payable or recoverable at the time of reversal thereof. With respect to the Parent, since tax on profits forms part of chargeable expenditure under the applicable regulations, deferred tax liability or asset is recoverable or payable through future tariff. Hence, recognition of deferred tax asset or liability is made with corresponding provision of liability or asset, as applicable.

(q) Miscellaneous expenditure to the extent not written off or adjusted

With respect to the Parent, the erstwhile governing statute, viz., the Electricity (Supply) Act, 1948 (ESA), provided for amortisation of preliminary expenses and certain capital issue expenses over the unexpired period of licence. The Parent, as per the consistently applied accounting policy continues with such amortisation of expenditure incurred upto the year 2004-05. Thereafter, pursuant to repeal of ESA, such expenditures are charged off to revenue.

(r) Employee Stock Compensation Cost

With respect to one of the subsidiaries, measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The subsidiary measures compensation cost relating to employee stock options using the fair value method. Compensation expenses are amortized over the vesting period of the option on a straight line method.

One of the subsidiary applies the intrinsic value based method of accounting for determining compensation cost for its stock- based compensation plan. The compensation cost is amortized over the vesting period of the option.

NOTE 4 SHARE CAPITAL

		₹ in crore	
		As at 31st March, 2013	As at 31st March, 2012
(a)	Authorised Share Capital		
	15,00,00,000 Equity Shares of ₹ 10 each	**150.00**	150.00
(b)	Issued Capital		
	13,12,35,897 Equity Shares of ₹ 10 each	**131.24**	131.24
(c)	Subscribed and paid up capital		
	12,49,35,925 Equity Shares of ₹ 10 each	**124.94**	124.94
(d)	Forfeited Shares (amount originally paid up)	**0.66**	0.66
		125.60	125.60

(e)	**Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**	**As at 31st March, 2013**		As at 31st March, 2012	
		(No. of shares)	**Amount (₹ in Crore)**	(No. of shares)	Amount (₹ in Crore)
	Opening and closing Balance	**124,935,925**	**124.94**	124,935,925	124.94

(f) Terms /rights attached to equity shares :

The Parent has only one class of equity shares having a par value of ₹ 10 per share fully paid up. Holders of Equity Shares are entitled to one vote per share. During the year ended 31st March, 2013 the amount of dividend per share recommended by the Board of Directors of the Parent as distributions to equity shareholders is ₹ 7 (31.03.2012 -₹ 5) subject to declaration at the ensuing Annual General Meeting by the members . In the event of liquidation of the Parent, the holders of equity shares will be entitled to receive sale proceeds from remaining assets of the Parent after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(g)	Details of shareholders holding more than 5% shares in the Parent	As at 31st March, 2013		As at 31st March, 2012	
	Name of shareholder	(No. of shares)	% of holding	(No. of shares)	% of holding
	Rainbow Investments Limited	31,058,414	25	31,058,414	25
	Universal Industrial Fund Limited	17,791,421	14	17,791,421	14
	HDFC Trustee Company Limited	10,940,021	9	-	-

(h) With respect to the Parent, 3,10,58,414 Equity Shares of ₹ 10 each were allotted as fully paid-up on 12 October, 2007 pursuant to a Scheme of Amalgamation sanctioned by the Hon'ble High Court at Calcutta, without consideration being received in cash.

NOTE 5 RESERVES AND SURPLUS

		₹ in Crore	
		As at 31st March, 2013	As at 31st March, 2012
(a)	Capital contribution from consumer as at beginning of the year	646.38	576.37
	Add : Contribution during the year	63.86	70.01
		710.24	646.38
(b)	Capital Reserve on consolidation	502.29	37.72
	Less : Adjusted with Goodwill on consolidation	502.29	-
(c)	Capital Redemption Reserve	20.13	20.13
(d)	Securities Premium Account	1,254.85	1,254.85
(e)	Revaluation Reserve as at the beginning of the year	1,155.77	1,264.96
	Less : Withdrawal on account of depreciation / amortisation on amount added on revaluation	96.34	105.37
		1,059.43	1,159.59
	Less : Withdrawal of the residual amount added on revaluation consequent to sale/ disposal of revalued assets	0.52	3.82
		1,058.91	1,155.77
(f)	Fund for unforseen exigencies at the beginning of the year	109.67	81.57
	Add : Transfer during the year from Surplus (Refer Note (i) below)	31.88	28.10
		141.55	109.67
(g)	Hedge Reserve	15.61	-
(h)	Foreign Currency Translation Reserve	6.76	7.44
(i)	General Reserve / Surplus as at the beginning of the year	1,484.74	1,339.56
	Add : Profit for the year	459.38	245.88
	Less : Transfer to fund for unforseen exigencies	31.88	28.10
	Less : Proposed Dividend	87.46	62.47
	Less : Tax on Proposed Dividend	14.86	10.13
		1,809.92	1,484.74
		5,017.97	4,716.70

(j) Amount transferred during the year to fund for unforeseen exigencies in respect of the Parent to be invested as per the statute.

NOTE 6 LONG-TERM BORROWINGS

			₹ in Crore	
			As at 31st March , 2013	As at 31st March, 2012
(A)		Secured		
		Term Loans		
	(1)	Rupee Loans :		
	(i)	Banks	5,801.49	3,135.28
	(ii)	Financial Institutions	266.38	389.55
			6,067.87	3,524.83
	(2)	Foreign Currency Loans from banks	2,053.17	897.14
	(3)	Finance Lease obligations	11.26	-
			8,132.30	4,421.97
(B)		Unsecured		
	(i)	Banks	470.00	300.00
	(ii)	Rupee Loan from Financial Institutions	5.82	-
	(iii)	Floating Rate Notes	-	70.85
			475.82	370.85
			8,608.12	4,792.82
		Less : Current maturities of long term borrowing transferred to Other Current Liabilities (Refer Note 10)	796.84	492.09
		Less : Deferred Payment	97.47	-
			7,713.81	4,300.73

(C) Nature of Security :

1 (i) Out of the Term Loans in (A) above in respect of the Parent, ₹ 2885.84 crore are secured, ranking pari passu inter se, by equitable mortgage/ hypothecation of fixed assets of the Company including its land, building and other constructions thereon, plant and machinery etc as a first charge and as a second charge, by hypothecation of the Company's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances. However, creation of the said mortgage security in respect of seven Rupee loans and one Foreign Currency Loan aggregating ₹ 1044.15 crore is in process. User rights in respect of a freehold land having a book value of ₹ 62.55 crore have been offered for financial assistance availed of by a subsidiary company to its lenders.

(ii) ₹ 361.51 crore, in (A) above , in respect of the Parent, are secured, ranking pari passu interse, by hypothecation of movable fixed assets and current assets of the Parent by way of a charge subervient to the charge of the first and second charge holders on the said assets.

2 Out of the Term Loan in (A) above, ₹ 160 crore in respect of one of the subsidiaries, is secured with an exclusive charge on all the movable fixed assets, current assets and cash flows of the Subsidiary with respect to their Mall Project by way of hypothecation together with equitable mortgage of commercial rights under the development agreement executed by and between the Parent and the Subsidiary in respect of the Mall Project.

3 Out of the Term Loan in (A) above, ₹ 1194.82 crore in respect of another susidiary are secured, ranking pari passu inter se with first charge by way of equitable mortgage /hypothecation of fixed assets of the subsidiary including its land, buildings and the contruction thereon where exists, plant and machinery etc and hypothecation of the Susidiary's current assets.

4 (i) Out of the Term Loan in (A) above, ₹ 1235 crore in respect of another susidiary are secured, ranking pari passu inter se, with first charge by way of mortgage /hypothecation of fixed assets of the Subsidiary including its land , buildings and the contruction thereon where exists, plant and machinery etc and hypothecation of the Subsidiary's current assets.

(ii) Out of the Foreign Currency Loan in (A) above, loans amounting to ₹ 687.91 crore in respect of one of the above susidiary are secured with first charge by way of equitable mortgage / hypothecation of fixed assets of the company including its land , buildings and the contruction thereon where exists and plant and machinery etc and hypothecation of Subsidiary's current assets.

(iii) Out of the Foreign Currency Loan in (A) above, loan of ₹ 164.40 crore in respect of the above Subsidiary is secured by way of hypothecation of movable fixed assets and current assets of the Subsidiary.

5 In respect of one of the subsidiaries, the Foreign Currency Loan of ₹ 109.60 crore in (A) above is secured with an exclusive charge by way of mortgage /hypothecation on the fixed assets of the Subsidiary including its land, building, construction thereon where exist, plant & machinery etc and by way of hypothecation of the current assets of the Subsidiary in respect of 24MW wind power project at Jaisalmer, Rajasthan. However creation of the said mortgage security in respect of above

loans is in process.

6 (i) In respect of certain subsidiaries, External Commercial Borrowing in (A) above amounting to ₹ 108.57 crore is secured against pari passu charge on all current assets, non-current assets and fixed assets of the certain subsidiaries except assets of Anunta, FDS and Twinlakes-I and Twinlakes-II

(ii) Term Loan of ₹ 977.14 crore in (A) above in respect of certain subsidiaries is secured against pari passu charge on all current assets, non-current assets and fixed assets of the certain subsidiaries except assets of Anunta, FDS and Twinlakes-I and Twinlakes-II. Further loan has been guaranteed by one of the subsidiaries.

(iii) Finance lease obligation amounting to ₹ 11.26 crore in (A) above in respect of certain subsidiaries is secured by way of hypothecation of underlying fixed assets taken on lease.

7 (i) Term loan of ₹ 86.25 crore in (A) above, in respect of one of the subsidiaries, is secured by hypothecation by way of first charge on all the current and movable assets (tangible & intangible, both, present and future) and all the receivables of the company arising out of, pursuant to or under the merchant establishment agreement (including the credit card receivables account) save and except any asset situated in or any such receivables arising from the hyper stores situated at Vishakhapatnam, Hyderabad and Malad (Mumbai). Beside, the above term loan of ₹ 11.25 crore is also secured by the unconditional and irrevocable Letter of Comfort from the Parent.

(ii) Secured loan of ₹ 150 crore in (A) above, in respect of the above subsidiary is secured by hypothecation by way of first charge on all the current and movable assets (tangible & intangible, both, present and future) and all the receivables of the company arising out of, pursuant to or under the merchant establishment agreement (including the credit card receivables account).

(D) Major terms of repayment of long term borrowings disclosed in (A) and (B) above :

Maturity profile of long term borrowings outstanding as at 31st March, 2013	₹ in Crore Balance outstanding as on 31st March, 2013 Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Finance Lease Obligations	Foreign Currency Loans	Total	Current Maturities
Loans with residual maturity of upto one year	25.60	10.00	-	16.44	52.04	52.04
Loans with residual maturity between 1 and 3 years	222.22	5.83	11.26	427.66	666.97	91.23
Loans with residual maturity between 3 and 5 years	1,491.42	60.13	-	405.24	1,956.79	338.29
Loans with residual maturity between 5 and 10 years	2,230.25	196.24	-	670.54	3,097.03	307.78
Loans with residual maturity beyond 10 years	2,302.00	-	-	533.29	2,835.29	7.50
Total	**6,271.49**	**272.20**	**11.26**	**2,053.17**	**8,608.12**	**796.84**
Less: Deferred Payment						**18.99**
						777.85

Interest rates on Rupee Term Loans from Banks and Financial Institutions are based on spread over respective Lender's benchmark rate and that of on Foreign Currency Loans are based on spread over LIBOR.

NOTE 7 Other long term liabilities represent those arising from adjustments detailed in Note 24, the unadjusted balance of sums received from consumers for capital jobs, pending completion thereof in respect of the Parent and retention liabilities in respect of certain subsidiaries etc.

NOTE 8 LONG TERM PROVISIONS

	₹ in Crore As at 31st March, 2013	As at 31st March, 2012
Provision for employee benefits	**137.09**	94.55
	137.09	94.55

NOTE 9 SHORT-TERM BORROWINGS

		₹ in Crore As at 31st March, 2013	As at 31st March, 2012
A	**Secured**		
(i)	Loans repayable on demand		
	Overdraft from banks	**655.05**	432.76
(ii)	Foreign Currency Loans		
	Buyers Credit	**188.18**	211.19
B	**Unsecured**		
	Short term Loan from banks	**200.04**	350.00
		1,043.27	993.95

C Nature of Security

1 The overdraft facilities from banks in respect of the Parent amounting to ₹ 492.19 crore in (A) (i) above are secured, ranking pari passu inter se, by hypothecation of Parent's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances as a first charge and as second charge by equitable mortgage/ hypothecation of the fixed assets of the Parent including its land, buildings and other constructions thereon where exists, plant and machinery etc. However, creation of the said mortgage security in respect of overdraft facilities from Banks aggregating ₹ 165 crore is in process.

2 The working capital demand loan of ₹ 162.86 crore in A (i) above, in respect of one of the subsidiaries is secured against charge on all current assets, non-current assets and fixed assets of that subsidiary.

3 Foreign currency loan amounting to ₹ 188.18 crore in A (ii) above, in respect of one of the subsidiaries is secured with first charge by way of equitable mortgage /hypothecation of fixed assets of the company including its land, buildings and other constructions thereon where exists and plant and machinery etc and hypothecation of Company's current assets.

NOTE 10 OTHER CURRENT LIABILITIES

		₹ in Crore As at 31st March, 2013	As at 31st March, 2012
(a)	Current maturities of long-term borrowings (Refer Note 6)	**773.70**	492.09
(b)	Current maturities of finance lease obligations (Refer Note 6)	**4.15**	-
(c)	Interest accrued but not due on borrowings	**64.30**	33.97
(d)	Interest accrued and due on borrowings	**0.89**	1.24
(e)	Book overdraft from Banks	**33.97**	26.39
(f)	Unclaimed dividend	**1.52**	1.50
(g)	Unclaimed public deposit	**0.47**	0.51
(h)	Liabilities on capital account	**285.30**	214.03
(i)	Other payables	**988.49**	637.48
(j)	Add : Share of Joint Venture (Refer Note 1c)	**0.05**	-
		2,152.84	1,407.21

(k) Unclaimed dividend and unclaimed Public Deposits in respect of the Parent do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

(l) Other payables includes outstanding interest on consumer security deposit, employee related liability, creditors towards contractual obligations etc.

NOTE 11 SHORT TERM PROVISIONS

		₹ in Crore As at 31st March, 2013	As at 31st March, 2012
(a)	Provision for employee benefits	**22.62**	14.22
(b)	Provision for taxation (net of advance tax)	**3.88**	6.63
(c)	Proposed Dividend	**87.46**	62.47
(d)	Tax on Proposed Dividend	**14.86**	10.13
(e)	Provision for Claims on Lease Property	**12.01**	9.13
		140.83	102.58

NOTE 12 TANGIBLE ASSETS

₹ in Crore

PARTICULARS	GROSS BLOCK AT COST OR VALUATION					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1st April, 2012	Additions / Adjustments on Acquisition*	Additions/ Adjustments	Withdrawals/ Adjustments	**As at 31st March, 2013**	As at 1st April, 2012	Additions / Adjustments on Acquisition*	Additions/ Adjustments	Withdrawals/ Adjustments	**As at 31st March, 2013**	**As at 31st March, 2013**	As at 31st March, 2012
Land												
Freehold	853.18	4.93	8.93	6.40	**860.64**	0.10	-	-	-	**0.10**	**860.54**	853.08
Leasehold	452.86	-	37.66	-	**490.52**	29.21	-	2.75	-	**31.96**	**458.56**	423.65
Buildings and Structures												
Freehold	432.78	22.24	12.76	0.23	**467.55**	86.66	7.72	11.30	0.03	**105.65**	**361.90**	346.12
Leasehold	423.45	157.32	25.41	16.28	**589.90**	255.45	122.27	32.33	8.54	**401.51**	**188.39**	168.00
Plant and Equipment	5,660.05	119.21	452.03	11.89	**6,219.40**	2,584.88	101.56	217.35	6.16	**2,897.63**	**3,321.77**	3,075.17
Transmission and Distribution System	4,261.17	-	475.52	41.37	**4,695.32**	1,632.60	-	135.00	39.12	**1,728.48**	**2,966.84**	2,628.57
Meters and Other Apparatus on Consumers' Premises	490.95	-	26.65	6.42	**511.18**	233.61	-	21.22	5.40	**249.43**	**261.75**	257.34
River Tunnel	4.88	-	-	-	**4.88**	2.51	-	0.26	-	**2.77**	**2.11**	2.37
Furniture and Fixtures	112.89	173.18	8.62	14.87	**279.82**	44.75	140.58	12.98	7.48	**190.83**	**88.99**	68.14
Office Equipments	152.84	129.03	20.16	7.02	**295.01**	86.35	119.95	12.44	6.94	**211.80**	**83.21**	66.49
Vehicles	17.63	2.12	3.34	2.29	**20.80**	11.73	0.71	2.12	1.40	**13.16**	**7.64**	5.90
Railway Sidings												
Freehold	4.73	-	-	-	**4.73**	4.46	-	0.01	-	**4.47**	**0.26**	0.27
Leasehold	34.70	-	-	-	**34.70**	15.28	-	0.89	-	**16.17**	**18.53**	19.42
	12,902.11	**608.03**	**1,071.08**	**106.77**	**14,474.45**	4,987.59	**492.79**	**448.65**	**75.07**	**5,853.96**	**8,620.49**	7,914.52
Previous Year	12,312.57	-	682.39	92.85	**12,902.11**	4,611.21	-	437.10	60.72	**4,987.59**	**7,914.52**	

* Additions on acquisition represents addition on account of opening balances of certain subsidiaries on the date of respective acquisitions.

Note :
In respect of one of the subsidiaries, depreciation for the year includes ₹ 1.68 crore (previous year ₹ 7.20 crore) being accelerated depreciation on certain moveable items not in use from closed / disposed stores.

NOTE 13 INTANGIBLE ASSETS

₹ in Crore

PARTICULARS	GROSS BLOCK AT COST OR VALUATION					AMORTISATION					NET BLOCK	
	As at 1st April, 2012	Additions / Adjustments on Acquisition*	Additions/ Adjustments	Withdrawals/ Adjustments	**As at 31st March, 2013**	As at 1st April, 2012	Additions / Adjustments on Acquisition*	Additions/ Adjustments	Withdrawals/ Adjustments	**As at 31st March, 2013**	**As at 31st March, 2013**	As at 31st March, 2012
Goodwill on consolidation	314.18	-	2,393.19	502.29	**2,205.08**	-	-	-	-	**-**	**2,205.08**	314.18
Goodwill (Acquired)	-	88.71	-	-	**88.71**	-	52.28	4.19	-	**56.47**	**32.24**	-
Trademarks	32.00	-	-	-	**32.00**	4.80	-	1.60	-	**6.40**	**25.60**	27.20
Licence	9.87	0.67	3.90	-	**14.44**	2.47	0.67	1.11	-	**4.25**	**10.19**	7.40
Computer Software	37.71	107.62	2.88	0.08	**148.13**	31.39	90.65	7.11	0.08	**129.07**	**19.06**	6.32
	393.76	**197.00**	**2,399.97**	**502.37**	**2,488.36**	38.66	**143.60**	**14.01**	**0.08**	**196.19**	**2,292.17**	355.10
Previous Year	389.73	-	4.07	0.04	**393.76**	29.31	-	9.37	0.02	**38.66**	**355.10**	

* Represents addition on account of opening balances of certain subsidiaries on the date of respective acquisitions.

NOTE 14 NON CURRENT INVESTMENTS

		₹ in Crore	
		As at 31st March,2013	As at 31st March,2012
A.	**Trade Investments -Unquoted**		
(a)	Investments in Equity Instruments		
	13,000 Equity Shares of Integrated Coal Mining Limited of ₹ 10 each	0.01	0.01
(b)	Investments in Preference shares		
	3,00,00,000 1% Cumulative Optionally Convertible Redeemable Preference Shares of Integrated Coal Mining Limited of ₹ 10 each	30.00	30.00
B	**Other Investments -Unquoted**		
(a)	Investments in Equity Instruments		
	60,00,000 Equity Shares of Crescent Power Limited of ₹ 10 each	6.00	6.00
(b)	Investment in Mutual Fund		
	Philippines Treasury Bills*	2.68	-
(c)	Others		
	10,000 Equity Shares of Retailer's Association of India of ₹ 10 each	0.01	0.01
C	**Other Investments -Quoted**	-	
	Investments in Equity Instruments		
	1,21,95,122 (31.03.2012 - Nil) Equity Shares of Resource Generation Limited (Market value - ₹ 31.00 crore)	58.86	55.34
		97.56	91.36
D	**All non- current investments are long term in nature.**		

* These securities have been earmarked in favour of SEC, Philippines in compliance with corporation code of Philippines.

NOTE 15 LONG-TERM LOANS AND ADVANCES

		₹ in Crore	
		As at 31st March,2013	As at 31st March,2012
	Unsecured, considered good		
(a)	Capital advances	294.81	435.19
(b)	Security Deposits	113.52	80.35
(c)	Deposits (Refer note 40)	37.48	-
(d)	Advance tax (net of provision for tax)	62.21	-
(e)	Other Loans and advances	25.36	33.36
	(Includes advance for property acquisition, employee related loans etc)		
	Unsecured, considered doubtful		
	Security Deposits	2.40	4.89
	Less: Allowances for doubtful advances	(2.40)	(4.89)
		-	-
		533.38	548.90

NOTE 16 OTHER NON-CURRENT ASSETS

		₹ in Crore	
		As at 31st March,2013	As at 31st March,2012
(a)	Unamortised Cost (Refer Note 40)	5.19	-
(b)	Minimum Alternate Tax credit carried forward	59.63	-
(c)	Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted	4.29	5.01
		69.11	5.01

NOTE 17 CURRENT INVESTMENTS

		₹ in Crore	
		As at 31st March,2013	As at 31st March,2012
	Unquoted		
(a)	Investments in Equity Instruments		
	29,728,500 (Previous year : Nil) Equity Shares of Noida Power Company Limited of ₹ 10 each	**29.73**	-
(b)	Investments in Mutual Funds		
	2845.027 (31.03.2012 : Nil) units of ₹ 24.57 each of HDFC Cash Management Fund Treasury Advantage Plan	**0.01**	-
	1,56,106.740 (31.03.2012 : Nil) units of ₹ 1,921.762 each of UTI Liquid Cash Plan - Institutional - Direct Plan - Growth	**30.00**	-
	2,19,395.53 (31.03.2012 : Nil) units of ₹ 1,139.494 each of Principal Cash Management Fund -Direct Plan-Growth	**25.00**	-
	17,31,102.135 (31.03.2012 : Nil) units of ₹ 173.3 each of ICICI Prudential Liquid - Direct Plan- Growth	**30.00**	-
	Nil (31.03.2012 : 3,83,382.045 units of ₹ 1304.1821 each) of IDFC Cash Fund - Super Inst Plan C - Growth	**-**	50.00
	Nil (31.03.2012 :22,07,912.148 units of ₹ 158.5208 each) of ICICI Prudential Institutional Liquid Super Institutional Plan - Growth	**-**	35.00
		114.74	85.00

NOTE 18 INVENTORIES

		₹ in Crore	
		As at 31st March,2013	As at 31st March,2012
(a)	Raw Materials	**0.83**	0.19
(b)	Work in Progress	**0.06**	0.03
(c)	Finished Goods	**0.09**	0.03
(d)	Traded Goods	**110.42**	123.00
(e)	Fuel (includes goods in transit ₹ 22.79 crore; 31st March, 2012 ₹ 47.92 crore)	**172.04**	156.48
(f)	Stores and Spares (includes goods in transit ₹ 2.45 crore; 31st March, 2012 ₹ 1.02 crore)	**153.37**	138.22
(g)	Packing Materials	**2.71**	2.20
		439.52	420.15
Less :	Provision for obsolete stock of Traded Goods and Packing Materials	**5.29**	12.41
		434.23	407.74

NOTE 19 TRADE RECEIVABLES

		₹ in Crore	
		As at 31st March,2013	As at 31st March,2012
(a)	Outstanding for a period exceeding six months		
	Secured , considered good	**26.83**	25.32
	Unsecured , considered good	**196.09**	83.92
	Doubtful	**9.05**	4.27
		231.97	113.51
	Less : Allowances for doubtful debts	**9.05**	4.27
		222.92	109.24
(b)	Other receivables		
	Secured , considered good	**437.73**	397.61
	Unsecured , considered good	**959.45**	487.23
		1,397.18	884.84
		1,620.10	994.08

NOTE 20 CASH AND BANK BALANCES

		₹ in Crore	
		As at 31st March,2013	As at 31st March,2012
(a)	Cash and cash equivalents		
	Balances with banks		
	In Current Account	**572.30**	469.90
	Bank deposits with original maturity upto 3 months (Refer note (e) below)	**468.05**	495.90
	Cheques , draft on hand	**12.92**	14.64
	Cash on hand	**9.93**	7.18
		1,063.20	987.62
(b)	Other bank balances		
	Dividend Accounts	**1.52**	1.50
	Bank deposits with original maturity more than 3 months (Refer note (f) and (g) below)	**271.51**	337.14
	Deposit Accounts (Refer note (h) below)	**16.11**	16.50
	Escrow Account	**21.87**	0.45
		311.01	355.59
(c)	Less: Current account balance held in trust for customers in respect of certain subsidiaries	**40.67**	-
		1,333.54	1,343.21
(d)	Add : Share of Joint Venture [Refer note 1(c)]	**0.08**	0.04
		1,333.62	1,343.25

(e) In respect of the Parent, amount lying in deposit accounts with banks as at 31st March, 2013 includes ₹ 26.00 crore (31st March, 2012 : ₹ 62.70 crore) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.

(f) In respect of the Parent, amount lying in deposit accounts with banks with original maturity more than three months as at 31st March, 2013 includes ₹ 91.00 crore (31st March,2012 : 23.00 crore) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.

(g) Bank deposits with original maturity more than 3 months under Other bank balances include as at 31st March,2013 ₹ 34.65 crore (31st March, 2012 - ₹ 63.57 crore) having original maturity more than 12 months as on the reporting date.

(h) Includes as at 31st March, 2013 ₹ 16.11 crore (31st March,2012 : ₹ 16.49 crore) pledged with banks against Bank Guarantee and Overdraft facilities with respect to one of the subsidiaries.

NOTE 21 SHORT-TERM LOANS AND ADVANCES

		₹ in Crore	
		As at 31st March,2013	As at 31st March,2012
	Other Advances		
	(Unsecured, considered good)		
	Share Application money to bodies corporate	**21.38**	46.23
	Advance for goods and services	**39.49**	42.32
	Security deposit / advances	**0.22**	2.63
	Others *	**146.74**	103.13
		207.83	194.31
	(Unsecured, considered doubtful)		
	Security deposit / advances	**-**	0.76
	Less :Allowances for doubtful advances	**-**	(0.76)
		-	-
		207.83	194.31

* Above include expenditure incurred by the Parent for setting up power projects to be transferred to the specific project developing entities, in due course.

NOTE 22 OTHER CURRENT ASSETS

		₹ in Crore	
		As at 31st March, 2013	As at 31st March, 2012
(a)	Deferred Payment	**-**	21.68
(b)	Unbilled Revenue	**136.44**	-
(c)	Receivable towards claims and services rendered - (considered good)	**1.91**	1.64
(d)	Others		
	Insurance claim receivables	**-**	0.20
	Others	**5.88**	-
	Interest accrued on Deposits	**35.26**	47.83
(e)	Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted	**0.72**	0.72
		180.21	72.07

NOTE 23 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(a) Claims against the Parent not acknowledged as debts:

The West Bengal Taxation Tribunal had held meter rentals received by the Parent from consumers to be deemed sales under the provisions of the Bengal Finance (Sales Tax) Act, 1941 and that sales tax was payable on such rentals. Based on such findings the Commercial Taxes Directorate assessed ₹ 0.69 crore as sales tax on meter rentals received during the year ended 31st March, 1993 and raised a demand of ₹ 0.36 crore on account of interest. Against the above demand, the Parent had deposited a sum of ₹ 0.75 crore with the sales tax authorities and obtained a stay against the balance demand from the Deputy Commissioner of Commercial Taxes. The sales tax authorities also indicated their intention to levy such sales tax on meter rentals for the subsequent years as well, against which, the Parent filed a writ petition in the Calcutta High Court and prayed for an interim order, inter alia, restraining the sales tax authorities from proceeding with the assessment for the subsequent years till disposal of the appeal. An interim order has been issued by the High Court permitting the sales tax authorities to carry out assessments but restraining them from serving any assessment order on the Parent. The disposal of the case is still pending.

(b) Other money for which the Parent is contingently liable :

Municipal Tax : ₹ 1.06 crore (previous year : ₹ 1.01 crore) in respect of certain properties, the rates of which are disputed by the Parent.

(c) For commitment relating to leasing arrangement, refer Note 33.

(d) Commitment of the Parent on account of estimated amount of contracts remaining to be executed on capital account and others, not provided for amount to ₹ 442.89 crore (previous year: ₹ 136.38 crore) and in respect of other subsidiaries ₹ 2071.99 crore.

(e) Claim against a Subsidiary not acknowledged as debts :

(i) Retailer's Association of India (RAI) of which one of the subsidiaries is a member, has filed Special Leave Petition before the Hon'ble Supreme Court of India, about the applicability of service tax on commercial rent on immovable property. Pending disposal of the case, the Supreme Court has passed an interim ruling in Oct 2011 directing the members of RAI to pay 50% of total service tax liability upto Sept 2011 to the department and to furnish a surety for balance 50%. The Supreme Court has also clarified that the successful party in the appeal shall be entitled to interest on the amount stayed by the Court, at such rate as may be directed at the time of the final disposal of appeal. Accordingly the subsidiary has deposited ₹ 4.60 crore and furnished a surety for ₹ 4.60 crore towards the balance service tax liability, while interest, whose quantum and applicability is presently not ascertainable, will be provided on the disposal of the petition.

(ii) Other claims against certain subsidiaries not acknowledged as debt ₹ 2.59 crore (previous year : ₹ 1.71 crore)

(f) Contingent Liability not provided for with respect to certain subsidiaries :

Particulars	₹ in Crore	
	31st March,2013	31st March,2012
- Sales tax demands under appeal	1.69	1.21
- Service tax demands	19.64	1.16
- Income tax demands(amount deposited ₹ 1.04 crore)	44.24	-
- Guarantee to ABP Corporation to discharge obligation, if any, in event of default	Not Quantified	Not Quantified

NOTE 24 REVENUE FROM OPERATIONS

		₹ in Crore	
		2012-13	2011-12
(a)	Earnings from sale of electricity	5,242.67	4,603.74
(b)	Earnings from sale of retail products (net of Excise Duty)	1,331.54	1,209.32
(c)	Earnings from sale of services	922.61	-
(d)	Other Operating Revenue		
	Meter Rent	42.34	40.60
	Delayed Payment Surcharge	14.03	8.99
	Others	17.49	29.07
	(includes provision written back- ₹ 4.70 crore; previous year - ₹ 15.09 crore)		
		7,570.68	5,891.72

(e) Earnings from sale of electricity in respect of the Parent are determined in accordance with the relevant orders of the Commission, where appropriate, giving due effect to the required adjustments. Such adjustments include the effect of increase in tariff for the account months of April 2012 to November 2012 in terms of the order of the Commission, recovery of which has since commenced and will be made, as directed, and that by netting of a sum of ₹ 42.53 crore (previous year : ₹ 358.93 crore) in respect of the cost of electrical energy purchased, fuel and related costs and also those relating to revenue account, based on the Company's understanding of the applicable regulatory provisions on this count, after giving effect of the impact arising from applicable orders in this regard for earlier years and the net impact of the said adjustments has been included in Other long term liabilities, to the extent appropriate. The accurate quantification and disposal of the matters are being given effect to, from time to time, on receipt of necessary direction from the appropriate authorities. The said earnings are also net of discount for prompt payment of bills allowed to consumers on a net basis from month to month and advance against depreciation amounting to ₹ 81.91 crore (previous year : ₹ 79.35 crore) and ₹ 148.20 crore (previous year : ₹ 51.77 crore) respectively.

NOTE 25 OTHER INCOME

		₹ in Crore	
		2012-13	2011-12
(a)	Interest Income	67.40	78.02
(b)	Dividend Income	0.31	0.30
(c)	Income from Recoveries and Services	41.20	33.09
(d)	Gain on sale of current investments (net)	50.40	45.53
(e)	Gain on sale of non-current investments (net)	-	0.81
(f)	Profit on sale of assets	4.28	1.68
(g)	Other Non -operating Income	4.56	8.35
		168.15	167.78
	Less : Allocated to capital account	38.45	35.52
		129.70	132.26

NOTE 26 COST OF MATERIALS CONSUMED

	₹ in Crore	
	2012-13	2011-12
Opening Stock of Raw Material	0.19	0.12
Add :Purchases	6.88	2.78
Less :Closing stock of Raw Material	0.83	0.19
	6.24	2.71

NOTE 27 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK- IN -PROGRESS

	₹ in Crore	
	2012-13	2011-12
(Increase)/decrease in stocks		
Stock at the beginning of the year :		
Finished Goods	0.03	0.02
Stock -in-trade	123.00	123.30
Work-in-progress	0.03	0.02
Total (A)	123.06	123.34
Less :Stock at the end of the year :		
Finished Goods	0.09	0.03
Stock -in-trade	110.42	123.00
Work-in-progress	0.06	0.03
Total (B)	110.57	123.06
Decrease in stocks (A-B)	12.49	0.28

NOTE 28 COST OF FUEL FOR POWER BUSINESS

(a) Cost of Fuel includes freight ₹ 286.69 crore (previous year: ₹ 230.98 crore).

(b) Cost of fuel includes gain of ₹ 3.06 crore (previous year: gain of ₹ 4.55 crore) due to exchange fluctuations.

NOTE 29 EMPLOYEE BENEFITS EXPENSE

		₹ in Crore	
		2012-13	2011-12
(A)			
1	Salaries, wages and bonus	**1,255.41**	576.17
2	Contribution to provident and other funds	**92.82**	58.58
3	Employees' welfare expenses	**53.63**	32.05
		1,401.86	666.80
	Less : Allocated to capital account etc.	**94.50**	68.18
		1,307.36	598.62

(B) Employee Benefits

The Group makes contributions for provident fund and pension (including for superannuation) schemes. For these schemes, such contributions are made based on current salaries, to funds maintained by the Group and for certain categories, to State Plans. For certain schemes, contributions are also made by the employees. An amount of ₹ 43.65 crore (previous year: ₹ 36.14 crore), has been charged to the Statement of Profit and Loss. The Group also operates schemes like gratuity, leave encashment and other retiral benefits including medical which offers specified benefits to the eligible employees. Annual actuarial valuations are carried out by independent actuaries. Wherever independent trust funds have been set up, annual contributions are made by the Group and in certain cases, such trust funds in turn, invests in the Employees Group Benefit Scheme of eligible agencies. Employees are not required to make any contribution.

Net Liability / (Asset) recognized in the Balance Sheet:

	₹ in Crore							
	For the year ended 31st March, 2013				For the year ended 31st March, 2012			
	Gratuity	**Leave Encashment**	**Medical**	**Pension**	Gratuity	Leave Encashment	Medical	Pension
Present value of funded obligation/ yet to be funded obligation	**207.88**				172.71			
Fair Value of Plan Assets	**189.09**				161.43			
	18.79				11.28			
Present value of un-funded obligation	**0.29**	**72.56**	**23.70**	**20.86**		62.47	18.69	16.71
Unrecognised past service cost								
Net Liability/(Asset)	**19.08**	**72.56**	**23.70**	**20.86**	11.28	62.47	18.69	16.71

	₹ in Crore					
	For the year ended 31st March, 2011			For the year ended 31st March, 2010		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Present value of funded obligation/ yet to be funded obligation	155.35			132.76		
Fair Value of Plan Assets	152.63			117.13		
	2.72			15.63		
Present value of un-funded obligation		57.67	17.33		50.34	15.39
Unrecognised past service cost						
Net Liability/(Asset)	2.72	57.67	17.33	15.63	50.34	15.39

	₹ in Crore		
	For the year ended 31st March, 2009		
	Gratuity	Leave Encashment	Medical
Present value of funded obligation/ yet to be funded obligation	101.12		
Fair Value of Plan Assets	107.13		
	(6.01)		
Present value of un-funded obligation		51.53	14.08
Unrecognised past service cost			
Net Liability/(Asset)	(6.01)	51.53	14.08

Experience Adjustment

	₹ in Crore						
	For the year ended 31st March, 2013				For the year ended 31st March, 2012		
	Gratuity	**Leave Encashment**	**Medical**	**Pension**	Gratuity	Leave Encashment	Medical
Experience (Gain) / Loss adjustment on plan liabilities	**6.74**	**4.83**	**3.51**	**7.20**	14.80	4.42	1.66
Experience (Gain) / Loss adjustment on plan assets	**(1.59)**	**-**	**-**	**-**	(0.17)	-	-
Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption	**7.30**	**3.00**	**0.96**	**(0.22)**	(4.92)	(1.92)	(1.04)

Expenditure shown in the Note 29 to Statement of Profit and Loss as follows:

	₹ in Crore						
	For the year ended 31st March, 2013				For the year ended 31st March, 2012		
	Gratuity	**Leave Encashment**	**Medical**	**Pension**	Gratuity	Leave Encashment	Medical
Current Service Cost	**9.14**	**2.30**	**-**	**-**	7.91	2.15	-
Interest Cost	**16.12**	**5.20**	**1.59**	**-**	12.39	4.60	1.41
Expected Return on Plan Assets	**(14.66)**	**-**	**-**	**-**	(12.58)	-	-
Actuarial loss/(gain)	**12.78**	**8.13**	**4.46**	**6.98**	10.79	3.28	0.62
Past Service Cost	**-**	**-**	**-**	**-**	-	-	-
Total	**23.38**	**15.63**	**6.05**	**6.98**	18.51	10.03	2.03

Reconciliation of Opening and Closing Balances of the present value of obligations:

	₹ in Crore						
	For the year ended 31st March, 2013				For the year ended 31st March, 2012		
	Gratuity	**Leave Encashment**	**Medical**	**Pension**	Gratuity	Leave Encashment	Medical
Opening defined benefit obligation	**172.71**	**62.47**	**18.59**	**16.71**	155.35	57.67	17.33
Adjustment on acquisition	**12.33**	**-**	**-**	**-**	-	-	-
Current Service Cost	**9.14**	**2.30**	**-**	**-**	7.91	2.15	-
Interest Cost	**16.12**	**5.20**	**1.59**	**-**	12.39	4.60	1.41
Plan Amendments	**-**	**-**	**-**	**-**	-	-	-
Actuarial loss/(gain)	**14.32**	**8.13**	**4.46**	**6.98**	11.00	3.28	0.62
Benefits paid	**(16.44)**	**(5.56)**	**(0.94)**	**(2.83)**	(13.94)	(5.23)	(0.77)
Closing Defined Benefit Obligation	**208.18**	**72.54**	**23.70**	**20.86**	172.71	62.47	18.59

Reconciliation of Opening and Closing Balances of fair value of plan assets:

	₹ in Crore						
	For the year ended 31st March, 2013				For the year ended 31st March, 2012		
	Gratuity	**Leave Encashment**	**Medical**	**Pension**	Gratuity	Leave Encashment	Medical
Opening fair value of Plan Assets	**161.43**	**-**	**-**	**-**	152.63	-	-
Adjustment on acquisition	**5.81**	**-**	**-**	**-**	-	-	-
Expected Return on Plan Assets	**14.64**	**-**	**-**	**-**	12.58	-	-
Actual Company Contributions	**21.61**	**-**	**-**	**-**	9.95	-	-
Actuarial gain/(loss)	**1.55**	**-**	**-**	**-**	0.21	-	-
Benefits paid	**(15.96)**	**-**	**-**	**-**	(13.94)	-	-
Closing Fair Value on Plan Assets	**189.08**	**-**	**-**	**-**	161.43	-	-
Actual Return on Plan Assets	**16.19**	**-**	**-**	**-**	12.79	-	-

The major categories of plan assets consist of funds maintained with insurer like LICI, ICICI Prudential, Birla Sun Life and HDFC Standard Life.

Effect of increase/decrease of one percentage point in the assumed medical inflation rates:

	₹ in Crore			
	For the year ended 31st March, 2013		For the year ended 31st March,2012	
	Increase	**Decrease**	Increase	Decrease
Effect on defined benefit obligation	**0.24**	**(0.17)***	0.19	(0.13)*

* in case of hospitalised treatment only

Principal Actuarial Assumptions Used:

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Discount Rates	**8.00% to 8.20%**	8.50% to 8.75%
Expected Return on Plan Assets	**8.20% to 8.75%**	8.00% to 8.75%
Rate of increase in medical cost trend	**2.50%**	2.50%
Mortality Rates	**"LIC 2006-08 Ultimate"**	"LIC 1994-96 Ultimate"

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations. The contribution expected to be made by the Group for the year ending 31st March, 2014 is not readily ascertainable and therefore, not disclosed.

Above disclosures as required by AS -15 - Employee Benefits are given to the extent available from the actuarial report.

NOTE 30 FINANCE COSTS

		₹ in Crore	
		2012-13	2011-12
(a)	Interest expense	**767.54**	483.96
(b)	Other Borrowing Costs	**43.17**	59.84
(c)	Applicable net loss on foreign currency transactions and translation	**91.56**	15.54
		902.27	559.34
	Less : Allocated to capital and deferred payment account	**471.86**	214.25
		430.41	345.09

NOTE 31 DEPRECIATION AND AMORTISATION EXPENSES

	₹ in Crore	
	2012-13	2011-12
Depreciation/ amortisation on tangible assets	**448.65**	437.10
Amortisation on intangible assets	**14.01**	9.37
	462.66	446.47
Less : Recoupment from revaluation reserve	**96.34**	105.37
Less : Allocated to capital account	**1.79**	1.05
	364.53	340.05

NOTE 32 OTHER EXPENSES

		₹ in Crore	
		2012-13	2011-12
(a)	Power and Fuel	**53.25**	32.42
(b)	Packing Materials Consumed	**4.79**	6.42
(c)	Consumption of stores and spares	**299.67**	288.08
(d)	Repairs		
	Building	**17.10**	16.03
	Plant and Machinery	**88.54**	62.48
	Distribution System	**97.51**	98.01
	Others	**25.80**	22.76
		228.95	199.28
(e)	Insurance	**15.90**	11.81
(f)	Rent	**140.62**	113.64
(g)	Rates and taxes	**14.12**	12.08
(h)	Bad debts / Advances made	**27.34**	25.72
(i)	Allowances for doubtful debts, Store / Lease Deposits/ advances made / Security Deposit	**0.65**	1.68
(j)	Amortisation of miscellaneous expenditure	**0.72**	0.72
(k)	Loss on sale / disposal of assets (net)	**3.72**	5.86
(l)	Interest on Consumers' Security Deposit	**70.81**	64.60
(m)	Foreign Exchange Restatement	**116.46**	-
(n)	Miscellaneous expenses	**479.23**	330.54
		1,456.23	1,092.85
	Add : Share of Joint Venture [Refer Note 1(c)]	**0.01**	0.03
		1,456.24	1,092.88
	Less : Allocated to capital account	**327.66**	178.28
		1,128.58	914.60

NOTE 33 LEASES :

(a) With respect to Parent:
Future rentals payable in respect of non-cancellable leases for assets comprising various equipment and vehicles acquired under operating leases for the period ranging between 36-60 months work out to ₹ 2.76 crore (previous year : ₹ 8.93 crore) and ₹ 0.77 crore (previous year : ₹ 2.27 crore) during next one year and thereafter till five years respectively. There are no restrictions in respect of such leases.

(b) With respect to certain Subsidiaries:

(i) Certain Subsidiaries have taken retail stores, office facilities, residential facilities, office equipment & vehicles on operating lease generally and the lease rent is payable as per the agreements entered into with the lessors. Agreements are both in the nature of cancellable and non-cancellable leases. The lease term is for varied years and renewable for further years as per the agreements at the option of the subsidiary. There are no restrictions imposed by these lease arrangements. There are no subleases. Certain subsidiaries have taken leased premises under non-cancellable operating lease for a period of 21 years. The details of lease rental are given below:

Operating Leases

	₹ in Crore	
	2012-13	2011-12
Lease payments for the year	126.71	83.16
Future minimum lease payments –		
Not later than one year	127.95	60.30
Later than one year but not later than five years	329.79	228.91
Later than five years	383.77	403.77

(ii) Subsidiaries in Process Outsourcing business have acquired certain capital assets under finance lease. Future minimum lease payments under finance lease as at 31st March, 2013 are as follows:

	₹ in Crore		
	As at 31st March, 2013		
	Minimum lease payments	Finance charges	Present value of minimum lease payments
Amount payable within one year from the Balance Sheet date	4.72	0.57	4.15
Amount payable in the period between one year and five years	7.56	0.45	7.11
	12.28	1.02	11.26

Subsidiaries in Process Outsourcing business have given vehicles on finance lease to its employees as per policy. As at 31st March, 2013, the future minimum lease rentals receivables are as follows:

	₹ in Crore		
	As at 31st March, 2013		
	Minimum lease payments	Finance charges	Present value of minimum lease payments
Amount receivable within one year from the Balance Sheet date	2.46	0.45	2.01
Amount receivable in the period between one year and five years	3.37	0.38	2.99
	5.83	0.83	5.00

(c) With respect to subsidiaries in Process Outsoucing business, assets taken on finance lease included in the Fixed Assets Note no. 12 is as follows:

	₹ in Crore				
	Tangible Assets				Intangible Assets
As at 31st March, 2013	Leasehold Buildings and Structures	Office Equipments	Plant and Equipment	Furniture and Fixtures	Software
Gross Block (at cost)	10.57	6.47	10.60	3.24	0.53
Less: Accumulated Depreciation / Amortisation	2.46	6.25	9.99	1.03	0.29
Net Block	**8.11**	**0.22**	**0.61**	**2.21**	**0.24**

NOTE 34 The major components of net Deferred Tax Assets / (Liabilities) based on the timing difference as at 31st March, 2013 are as under:

Deferred Tax Liabilities (net)

	₹ in Crore	
	2012-13	2011-12
Liabilities		
Excess of tax depreciation over book depreciation	(159.83)	-
Assets		-
Unabsorbed business losses	83.03	-
Other Timing Differences	48.30	-
Net Deferred Tax Liability	(28.50)	-

Deferred Tax Assets (net)

	₹ in Crore	
	2012-13	2011-12
Liabilities		
Excess of tax depreciation over book depreciation	(887.92)	(691.60)
Assets		
Unabsorbed business depreciation	82.08	82.78
Unabsorbed business losses	199.42	199.42
Other Timing Differences	46.38	37.91
Net Deferred Tax Liability	(560.04)	(371.49)
Less : Recoverable deferred tax element of Parent	870.57	693.04
Net Deferred Tax Asset	310.53	321.55

Note :

In respect of one of the subsidiaries , there are unabsorbed depreciation and carried forward losses as at the Balance Sheet date. However, based on future profitability projections, the Company is virtually certain that there would be sufficient taxable income in future and hence, continues to carry Deferred Tax Assets (DTA) of ₹ 310.53 crore (previous year : ₹ 321.55 crore).

NOTE 35 Earnings per share:

Computation of Earnings per share

Particulars		2012-13	2011-12
Profit after Tax and before exceptional items (₹in crore)	(A)	428.05	271.59
Weighted Average no. of shares for Earnings per share	(B)	124,935,925.00	124,935,925.00
Basic and Diluted Earnings per share of ₹ 10/- each before Exceptional Items = [(A) / (B)] (₹)		34.26	21.74
Profit after Tax and after exceptional items (₹in crore)	(C)	459.38	245.88
Weighted Average no. of shares for Earnings per share	(D)	124,935,925.00	124,935,925.00
Basic and Diluted Earnings per share of ₹ 10/- each after Exceptional Items= [(C) / (D)] (₹)		36.77	19.68

NOTE 36 Certain subsidiaries have incurred losses during the year, primarily due to nascent stage of organized retail industry in the country and have accumulated losses against shareholders' funds as on the Balance Sheet date. However, the subsidiaries having created a robust infrastructure for organized retail business are confident of generating positive cash flows and operational surplus in the near future with certain interim support from the Parent and the promoters .

NOTE 37 In respect of the Parent, the Members at the Thirtieth Annual General Meeting held on 30th July 2008 and the Central Government vide its letter dated 20th August 2009 approved payment of Commission to the non-executive directors from 2008-09 to 2012-13 at a rate not exceeding 1% per annum of the net profits of the Parent computed in the manner laid down in Section 198(1) of the Companies Act, 1956.

In respect of the years 2011-12 and 2012-13, payment of the said commission at a rate not exceeding 3% per annum of the said net profits of the Parent has been approved at the Thirty-fourth Annual General Meeting of the members of the Company held on 27th July, 2012 for which approval of Central Government is awaited. Accordingly, the Commission proposed for non-executive directors in excess of 1% of the net profits, i.e ₹ 15.96 crore for the year 2012-13 is subject to approval, for which approval of Central Government is awaited.

NOTE 38 Exceptional items of ₹ 31.33 crore [previous year - (₹ 25.71 crore)] pertaining to certain subsidiaries represent amount of write back of provision for lease equalisation partly net of additional cost incurred on closure of franchisee business and loss on account of non-usable assets written off with respect to the non-viable and loss making closed stores.

NOTE 39 Employee Stock Option Plans

Certain subsidiaries have following stock option plans:

(i) Stock Option Scheme 2002 ('Scheme 2002') – As per the Scheme, Compensation cum Board Governance Committee ('the Committee') shall issue stock options to the employees at an exercise price equal to the fair value on the date of grant, as determined by an independent valuer. The Scheme 2002 provides that these options would vest in tranches over a period of 12 to 48 months from the date of grant. Further, the participants shall exercise the options within a period of nine years commencing on or after the expiry of 12 months from the date of the grant of the options.

(ii) Employee Stock Option Scheme 2003 ('Scheme 2003') - The terms and conditions under this Scheme are similar to those under 'Scheme 2002' except for the following, which were included in line with the amended "SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999":

- The Scheme 2003 would be administered and supervised by the members of the Compensation Committee.
- Exercise price to be determined based on a fair valuation carried out at the beginning of every six months for options granted during those respective periods. The Exercise Price shall be determined by the Committee on the date the Option is granted in accordance with, and subject to, the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended from time to time).

The Scheme provides that these options would vest in tranches over a period of 24 to 36 months from the date of grant. Further, the exercise period of Scheme 2003 has been approved as 10 years from the date of the grant of Options.

Certain portions of Scheme 2003 include "Executive Options". 50% of the vesting for "Executive Options" is time linked and the balance 50% is performance linked. The vesting period for time linked "Executive Options" has been set as 24 to 60 months from the date of grant. 50% of "Executive Options" which are performance linked shall vest in proportion to the achievement of 5 year performance targets to be decided by the Committee, with the first vesting being at the end of the second year from the date of grant of "Executive Options". The number of "Executive Options" vesting at the end of each year would be in proportion to the percentage achievement against the targets and if the targets were not met, the vesting period would be extended beyond 5 years. If performance was better than targets, the Options would vest in less than 5 years.

Options under these plans have been granted to employees at an exercise price ranging from ₹ Nil to ₹ 90 per option.

Outstanding options as at 5th December, 2012	49,467,907
Granted during the period	1,550,000
Exercised during the period	-
Forfeited and lapsed during the period	(3,009,375)
Outstanding options as at 31st March, 2013	48,008,532

Outstanding options as at 31st March, 2013 out of 'Scheme 2002' is 60,000 and 'Scheme 2003' is 47,948,532 with weighted average remaining contractual term of 9 months and 49.61 to 95.83 months respectively.

Certain subsidiaries apply the intrinsic value based method of accounting for determining compensation cost for its stock-based compensation plan. Had the compensation cost been determined using the fair value approach, the Company's net income and basic and diluted earnings per share as reported would have reduced to the proforma amounts as indicated:

Particulars	2012-13
Net income as reported (₹ in crore)	459.38
Less: Stock-based employee compensation expense (fair value method) (₹ in crore)	4.79
Proforma net income (₹ in crore)	454.59
Basic and diluted income as reported earnings per share (₹)	36.77
Proforma basic and diluted earnings per share (₹)	36.39

The key assumptions used to estimate the fair value of options are:

Dividend yield	0%
Expected Life	5.5-7 years
Risk free interest rate	6.50% to 9.06%
Volatility	0% to 75%

NOTE 40 Adoption of AS 30

In December 2007, the ICAI issued AS 30, Financials Instruments: Recognition and Measurement, recommendatory in respect of accounting periods commencing on or after 1st April, 2009 and mandatory in respect of accounting periods commencing on or after 1st April, 2011 for the Company.

In March 2008, ICAI announced that earlier adoption of AS 30 is encouraged. However, AS 30, along with limited revision to other Accounting Standards, has currently not been notified under the Companies (Accounting Standard) Rules, 2006.

On 1st October, 2008, certain subsidiaries, early adopted AS 30 in its entirety, read with AS 31, effective 1st April, 2008 and the limited revisions to other Accounting Standards.

AS 30 states that particular sections of other Accounting Standards, AS 4, Contingencies and Events Occurring after Balance Sheet date, to the extent it deals with contingencies, AS 11 (revised 2003), The Effects of Changes in Foreign Exchange Rates, to the extent it deals with the 'forward exchange contracts' and AS 13, Accounting for Investments, except to the extent it relates to accounting for investment properties, would stand withdrawn only from the date AS 30 becomes mandatory (1st April, 2011). In view of certain subsidiaries, on an early adoption of AS 30, accounting treatment made on the basis of the relevant sections of Accounting Standards referred above viz. AS 4, AS 11 and AS 13 stands withdrawn as it believes that principles of AS 30 more appropriately reflect the nature of these transactions.

Pursuant to the early adoption of AS 30, certain subsidiaries have discounted Non-interest-bearing deposits to their present value and the difference between original amount of deposit and the discounted present value has been disclosed as "Unamortised cost" under other current and non-current assets. This unamortised cost is charged to the Statement of Profit and Loss over the period of related lease. Correspondingly, interest income is accrued on these interest-free deposits using the implicit rate of return over the period of lease and is recognised under "Interest income".

In accordance with the transition provisions of AS 30, impact on first time adoption was accounted in General Reserve.

As permitted by AS 30, one of the subsidiaries designated its FCCB along with premium payable on redemption as a hedging instrument to hedge its net investment in the non-integral foreign operations effective 1st July, 2008. On 1st August, 2012, the subsidiary redesignated its FCCB along with premium on redemption as a hedging instrument to hedge the forward exchange contract taken of USD 103 million and balance continued to be designated as a hedge against its net investment in the non-integral foreign operations till the repayment of the FCCB. Further, the subsidiary accounted for embedded derivative option included in FCCB. Accordingly, translation gain on FCCB has been adjusted in foreign currency translation reserve account. Pursuant to repayment of FCCB, ECB of USD 20 Million designated as a hedging instrument to hedge its net investment in the non-integral foreign operations. The amount recognized in foreign currency translation reserve would be transferred to the consolidated Statement of Profit and Loss upon sale or disposal of non-integral foreign operations.

The subsidiary has also designated forward contracts to hedge highly probable forecasted transactions on the principles as set out in AS 30 (also refer Note 41).

Consequent to the early adoption of AS 30 as stated above, the profit after taxation for the period and Reserves and Surplus as at the Balance Sheet date with respect to certain subsidiaries is lower by ₹ 27.90 crore and is higher by ₹ 2 crore respectively. The increase in reserve and surplus includes translation gain on the investment in non-integral foreign operation used as hedging against translation loss on FCCB, which is currently credited to reserve and surplus, would be transferred to consolidated Statement of Profit and Loss upon disposal of non-integral foreign operation.

NOTE 41 Derivatives

As at 31st March, 2013, certain subsidiaries have derivative financial instruments to sell USD 20,673,912 having fair value loss of ₹ 0.96 crore, GBP 22,827,009 having fair value gain of ₹ 5.72 crore and AUD 7,950,000 having fair value loss of ₹ 2.39 crore relating to highly probable forecasted transactions.

NOTE 42 Consolidated Segment Reporting

a. Primary Segment Information - Business Segments

	(₹ In crore)									
	Power		Retail		Property		Process Outsourcing		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Sales Revenue from external customers	**5,317.97**	4,679.30	**1,337.47**	1,212.42	**0.00**	-	**915.24**	-	**7,570.68**	5,891.72
Other Segment Revenue	**75.89**	93.15	**45.80**	38.46	**0.51**	0.65	**7.50**	-	**129.70**	132.26
Total Segment Revenue	**5,393.86**	4,772.45	**1,383.27**	1,250.88	**0.51**	0.65	**922.74**	-	**7,700.38**	6,023.98
Segment Results Before Interest, Tax and Exceptional Items	**1,087.50**	958.86	**(111.50)**	(194.07)	**(1.87)**	(0.39)	**81.61**	-	**1,055.74**	764.40
Unallocated Finance Costs									**(430.41)**	(345.09)
Exceptional Items			**31.33**	(25.71)					**31.33**	(25.71)
Profit before Taxation and Minority Interests									**656.66**	393.60
Provision for Taxation									**(175.78)**	(149.15)
Profit after Taxation before Minority Interests									**480.88**	244.45
Segment Assets	**16,643.96**	13,493.71	**427.11**	460.26	**325.43**	197.07	**949.34**	-	**18,345.84**	14,151.05
Unallocated Assets									**2,577.81**	636.05
Total Assets									**20,923.65**	14,787.10
Segment Liability	**4,717.15**	3,886.79	**190.56**	250.42	**17.77**	11.18	**345.01**	-	**5,270.49**	4,148.39
Unallocated Liabilities									**9,767.09**	5,793.72
Total Liabilities									**15,037.58**	9,942.11
Capital Expenditure	**3,602.81**	2,472.45	**10.96**	15.27	**102.71**	91.75	**16.94**	-	**3,733.42**	2,579.47
Depreciation (including amortisation of Intangible Assets)	**301.35**	285.52	**35.10**	54.47	**0.07**	0.06	**28.01**	-	**364.53**	340.05
Non Cash Expenditure other than depreciation	**31.60**	23.94	**10.69**	14.98	**-**	-	**0.65**	-	**42.94**	38.92

Notes:

Business Segments:

The internal business segmentations and the activities encompassed therein are as follows:

Power: Generation / Distribution of electricity

Retail: Organised Retailing

Property: Property Development

Process Outsourcing : Business Process Outsourcing

b. Secondary Segment Information - Geographical Segments

	(₹ In crore)					
	Segment Revenue excluding other segment revenue		Segment Assets		Capital Expenditure	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Within India	**6,751.93**	5,891.72	**17,564.33**	14,787.10	**3,716.48**	2,579.47
UK	**314.07**	-	**191.20**	-	**-**	-
USA and Canada	**421.62**	-	**2,514.58**	-	**-**	-
Rest of the World	**83.07**	-	**123.00**	-	**-**	-
Unallocated	**-**	-	**530.54**	-	**16.94**	-
Total	**7,570.68**	5,891.72	**20,923.65**	14,787.10	**3,733.42**	2,579.47

In respect of subsidiaries in Process Outsourcing business having operations outside India, as the fixed assets and services are used interchangeably between the segments by the businesses, the Group believes that it is currently not practicable to provide geographical segment disclosures relating to these assets and capital expenditure which has been considered as unallocated expenditure.

c. The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments.

NOTE 43 Related Party disclosure

Related Party and their relationship:

Names of Related Parties	Nature of Relationship
Mr. S. Banerjee	Key Management Personnel, CESC Limited
Noida Power Company Limited	Subsidiary of CESC Infrastructure Limited from 23rd July, 2012 to 18th March, 2013
Mahuagarhi Coal Company Private Limited	Joint Venture

Particulars of transactions :

Nature	₹ in Crore	
	Key Management Personnel	
	2012-13	2011-12
Director's Remuneration	**4.78**	4.73
Closing Balance:		
Debit	**-**	-
Credit	**3.50**	3.50

NOTE 44 In respect of the Parent out of the outstanding foreign currency loans of ₹ 654.86 crore (31st March, 2012 : ₹ 677.64 crore) disclosed in Note 6, loan balance amounting to ₹ 654.86 crore (31st March, 2012: ₹ 606.79 crore) have been fully hedged in Indian Rupee and ₹ Nil (31st March, 2012 : ₹ 70.85 crore) represents sum restated at year end exchange rate in respect of underlying contractual obligation in United States Dollar. Trade Payables include ₹ 41.74 crore (31st March, 2012 : ₹ 76.60 crore) representing amount payable in United States Dollar restated at year end exchange rate which have not been hedged.

NOTE 45 Miscellaneous Expenses in Note 32 include research and development expense of ₹ 1.32 crore (previous year : ₹ 1.17 crore) in respect of the Parent.

NOTE 46 (i) In respect of certain subsidairies, out of the outstanding Long Term Borrowings disclosed in Note 6, loan balance amounting to ₹ 1217.71 crore (31st March, 2012 - ₹ 176.64 crore) have been contractually covered in Indian Rupee and ₹ 72.03 crore (31st March, 2012- ₹ 113.71 crore) represents sum restated at year end exchange rate in respect of underlying contractual obligations in United States Dollars.

(ii) In respect of one of the subsidairies, Foreign Currency Loans under Short Term Borrowings disclosed in Note 9 of ₹ 188.18 crore (31st March, 2012 - ₹ 211.19 crore) represents sum restated at year end exchange rate in respect of underlying contractual obligations in United States Dollars.

NOTE 47 The Group has reclassified previous year's figures to conform to this year's classification alongwith other regrouping / rearrangement whereever necessary.

NOTE 48 INFORMATION REGARDING SUBSIDIARY COMPANIES

(₹ In crore)

Sl No.	Particulars	Spencers' Retail Limited	Music World Retail Limited	Au Bon Pain Café Idia Limited	CESC Properties Limited	Metromark Green Commodities Private Limited	CESC Infrastructure Limited	Haldia Energy Limited	Dhariwal Infrastructure Limited	Spen Liq Private Limited	CESC Projects Limited	Nalanda Power Company Limited	Surya Vidyut Limited	Papu Hydropower Projects Limited	Pachi Hydropower Projects Limited	Bantal Singapore PTE Limited $	Ranchi Power Distribution Company Private Limited
1	Issued and Subscribed Share Capital	104.06	5.00	35.00	130.01	0.02	1,188.05	712.96	686.77	470.03	0.50	0.90	47.24	0.05	0.05	56.68	1.00
2	Reserves	(1,109.59)	(23.03)	(24.47)	(4.22)	(0.53)	(3.10)	(42.19)	(27.41)	1.15	(1.54)	(0.79)	(0.14)	(1.61)	(2.21)	3.47	(1.57)
3	Total Assets	766.24	5.84	15.68	337.83	2.12	1,745.63	2,524.93	3,169.06	477.03	2.10	0.59	251.49	0.27	0.25	60.19	0.68
4	Total Liabilities	766.24	5.84	15.68	337.83	2.12	1,745.63	2,524.93	3,169.06	477.03	2.10	0.59	251.49	0.27	0.25	60.19	0.68
5	Investments (except investments made in subsidiaries)	0.01	-	0.01	-	-	29.73	-	-	-	-	-	-	-	-	58.86	-
6	Turnover	1,346.98	25.51	11.02	0.51	-	-	0.00	-	5.15	-	-	3.15	-	-	0.00	-
7	Profit / (Loss) before taxation	(198.13)	(35.25)	(7.93)	(1.77)	(0.09)	(0.82)	(22.71)	(2.39)	2.90	(1.52)	(0.37)	0.01	(1.56)	(2.16)	(0.08)	(1.57)
8	Provision for taxation	-	-	-	-	-	-	1.33	3.95	1.71	-	-	0.21	-	-	-	-
9	Profit / (Loss) after taxation	(209.14)	(35.25)	(7.93)	(1.77)	(0.09)	(0.82)	(24.04)	(6.34)	1.19	(1.52)	(0.37)	(0.20)	(1.56)	(2.16)	(0.08)	(1.57)
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTE 48 INFORMATION REGARDING SUBSIDIARY COMPANIES (contd.)

(₹ In crore)

Sl No.	Particulars	Firstsource Solutions Limited. (FSL)	Anunta Tech Infrastructure Services Limited	Firstsource Group USA, Inc. $	Firstsource Business Process Services, LLC $	Firstsource Advantage LLC $	Twin Lake Property LLC I $	Twin Lake Property LLC II $	Firstsource Solutions UK Limited £	Medassist Holding Inc. $	Firstsource Solutions USA LLC $	Firstsource Transaction Services, LLC $	First-source BPO Ireland Limited EUR	Firstsource - Dialog Solutions (Private) Limited ##
1	Issued and Subscribed Share Capital	657.67	1.05	1.19	-	0.05	-	-	23.31	-	-	-	*	4.60
2	Reserves	574.82	2.05	1,145.15	120.36	82.09	0.05	2.22	69.69	382.54	192.10	43.76	11.12	(0.17)
3	Total Assets	1,620.40	7.43	2,208.69	215.70	102.68	12.63	9.91	382.89	533.19	288.10	58.93	57.79	6.84
4	Total Liabilities	1,620.40	7.43	2,208.69	215.70	102.68	12.63	9.91	382.89	533.19	288.10	58.93	57.79	6.84
5	Investments (except investments made in subsidiaries)	2.68	-	-	-	-	-	-	-	-	-	-	-	-
6	Turnover	973.39	6.23	214.02	-	283.17	2.51	4.06	828.37	-	560.92	261.46	173.48	20.20
7	Profit / (Loss) before taxation	117.39	0.73	5.71	(0.12)	(1.62)	0.43	2.71	(2.02)	-	16.44	21.88	5.66	(1.31)
8	Provision for taxation	-	-	16.79	-	-	-	-	(0.16)	-	0.19	-	0.72	(0.04)
9	Profit / (Loss) after taxation	135.97**	0.73	(11.08)	(0.12)	(1.62)	0.43	2.71	(1.86)	-	16.25	21.88	4.94	(1.26)
10	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:
$ Converted to Indian Rupees at the exchange rate, 1 USD=INR 54.2850
# Converted to Indian Rupees at the exchange rate, 1 ARS=INR 10.7271
£ Converted to Indian Rupees at the exchange rate, 1 GBP=INR 82.2275
€ Converted to Indian Rupees at the exchange rate, 1 EUR=INR 69.4950
Converted to Indian Rupees at the exchange rate, 1 LKR=INR 0.4315
* Firstsource BPO Ireland Ltd has issued 1 equity share of 1 Euro to Firstsource Solutions Limited
** Includes `18.58 crore profit after tax for the year ended 31st March, 2012 of RevIT incorporated pursuant to scheme of amalgamation

For Lovelock & Lewes
Firm Registration Number -301056E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No.: 52340
Kolkata, May 28, 2013

Subhasis Mitra
Company Secretary

For and on behalf of Board of Directors
Chairman Sanjiv Goenka
Director P. K. Khaitan
Managing Director S. Banerjee

Generating Capacity	Budge Budge Generating Station		750 MW
	Southern Generating Station		135 MW
	Titagarh Generating Station		240 MW
	New Cossipore Generating Station		100 MW
220/132/33 KV Substations	Installed Capacity		800 MVA
132/33 KV Substations	Installed Capacity		2307 MVA
Distribution Stations	Number of Stations		99
	Transformer Capacity		3134 MVA
LT Substations	No. of AC Substations		7343
	Transformer Capacity		2440 MVA
	No. of DC Substations		
	DC Substations Capacity		
Distribution Network (Circuit KM.)			
		220 KV UG	13 Ckt. Km.
		220 KV OH	172 Ckt. Km.
		132 KV UG	263 Ckt. Km.
		132 KV OH	81 Ckt. Km.
		33 KV UG	1251 Ckt. Km.
		33 KV OH	92 Ckt. Km.
		20 KV UG	50 Ckt. Km.
HT Distribution		11 & 6 KV UG	5695 Ckt. Km.
		11 & 6 KV OH	87 Ckt. Km.
		3.3 KV UG	21 Ckt. Km.
LT Distribution		UG	6956 Ckt. Km.
		OH	4857 Ckt. Km.
HT Capacitor			
		132 & 33 KV	547 MVAR
		6 & 11 KV	249 MVAR

Additions During the Year

220/132/33 KV Substations	160.0 MVA	LT UG Mains	313.206 Ckt. Km.
132/33 KV Substations	250.0 MVA	LT OH Mains	125.751 Ckt. Km.
Distribution Stations	158.0 MVA	220 KV UG	6.400 Ckt. Km.
		220 KV OH	- Ckt. Km.
LTAC Substations	124.12 MVA	132 KV UG	9.251 Ckt. Km.
No. of LT Services	16154 Nos	33 KV UG	40.670 Ckt. Km.
No. of HT Services	34 Nos	11& 6 KV UG	360.000 Ckt. Km.

Abbreviations: MW - Megawatt, MVA - Megavoltampere, KV - Kilovolt, UG -Underground, OH - Overhead, Ckt. Km. - Circuit Kilometre

LIST OF CESC ESTABLISHMENTS

GENERATING STATIONS

Budge Budge
Vill. & P.O.- Pujali, P.S. Budge Budge
24 Parganas (S) 700 138
Phone: 2482 1709, 2482 2957

New Cossipore
28 Jheel Road, Kolkata 700 002
Phone: (033) 2556 6695, 2556 6696

Southern
28 Garden Reach Road
Kolkata 700 024
Phone: (033) 2469 6886, 2469 7557

Titagarh
B.T. Road, P.O. Khardah, Titagarh
24 Parganas (N) 700 119
Phone: 2501 1042, 2553 3392

INVESTOR SERVICE
Secretarial Department
CESC House
Chowringhee Square
Kolkata 700 001
Phone:
For resident shareholders
(033) 2204 0754
For non-resident shareholders
(91) (033) 2204 0663
Fax: 2236 3868
E-mail: secretarial@rp-sg.in

REGIONAL OFFICE

Central
CESC House
Chowringhee Square
Kolkata 700 001
Phone: (033) 2225 6040 (10 lines)
2204 0300, 6634 0300

Howrah
433/1 G.T. Road (N), Howrah 711 101
Phone: (033) 2666 1667, 2666 6014
2666 9199

North
226 A & B APC Road, Kolkata 700 004
Phone: (033) 2555 9815 (4 lines)

North Suburban
32 B.T. Road
(Opp. Sagar Dutta Hospital)
Kolkata 700 058
Phone: (033) 2553 7583, 2583 9391

South
6 Mandeville Gardens
Kolkata 700 019
Phone: (033) 2440 6470, 2440 6116
(5 Lines)

South-West
P-18 Taratolla Road
Kolkata 700 088
Phone: (033) 2401 4541 (5 Lines)

IN CASE OF SUPPLY BREAKDOWN, PLEASE CONTACT
1912
44031912
1860 500 1912

CUSTOMER RELATIONS
CESC House
Chowringhee Square
Kolkata 700 001
Phone: (033) 2237 3612
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RP-Sanjiv Goenka Group

CESC LIMITED

ENERGISING LIVES

ANNUAL REPORT 2012-2013

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