

# **CESC PROPERTIES LIMITED**

**ANNUAL REPORT AND ACCOUNTS  
2011-12**

## CESC PROPERTIES LIMITED

### **DIRECTORS' REPORT**

The Directors present the Sixth Annual Report and Audited Accounts of CESC Properties Limited for the year ended 31 March 2012.

### **FINANCIAL RESULTS**

During the year under review, the net loss for the year had been Rs. 116.92 lacs. After taking into consideration losses brought forward from previous years, a total loss of Rs. 245.30 lacs has been carried to Balance Sheet.

### **SHARE CAPITAL**

During the year under review, the Authorised share capital was raised to Rs. 130 crores from Rs. 65 crores by creation of 65000000 new equity shares of Rs. 10/- each. The Issued, Subscribed and Paid up Capital of the Company was raised from Rs. 600,500,000 to Rs. 850,100,000 by issue and allotment of 24,960,000 equity shares of Rs. 10 each for cash at par to CESC Limited, the Holding Company.

### **PROJECTS**

The Company is currently executing a shopping mall project in Kolkata. The total built up area of the mall is approximately 7,00,000 square feet, with shops, retail outlets, an entertainment zone, multiplexes, a food court and fine dining area. Construction work on the project is progressing well. The project is scheduled to be completed during the first half of 2013.

### **SUBSIDIARY**

The Company continues to hold the entire issued, subscribed and paid up equity share capital of Metromark Green Commodities Private Limited, which plans to construct 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.

A statement pursuant to section 212 of the Companies Act, 1956 is annexed with the accounts of the Company.

### **DIRECTORS**

Mr. D. K. Sen retires by rotation and, being eligible, offers himself for reappointment as Director.

### **AUDIT COMMITTEE**

Audit committee of the Board comprises of all the three Directors of the Company.

### **RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956 ('the Act') your Directors hereby state and confirm that:

- i) in the preparation of annual accounts for the financial year ended 31 March 2012, 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 2012 and the loss for the year from 1 April 2011 to 31 March 2012;

- 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 2012 have been prepared on a going concern basis.

#### **AUDITORS**

Messrs Lovelock & Lewes, Chartered Accountants (Firm Registration Number 301056E), Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO**

- i) Conservation of Energy

The Company is currently engaged in construction of shopping mall at Kolkata, and is not a power-intensive industry; the Company is making every effort to conserve the use of power. Scarce natural resources like diesel, petrol are consumed efficiently to ensure proper energy utilization and conservation. The impact, if any, of such measures is not identifiable.

- ii) Technology Absorption

The Company did not undertake any research and development activity, which needs to be absorbed or adapted.

- iii) Foreign Exchange Earning and outgo

During the year, there has been no foreign exchange earning. Foreign exchange outgo was Rs. 32 lacs representing Consultancy fees, travel and other foreign exchange expenditure.

#### **PARTICULARS OF EMPLOYEES**

There was no employee during the year under review in respect of whom the information required to be furnished under Section 217(2A) of the Act are applicable.

On behalf of the Board of Directors

Sd/-  
**D. K. Sen**  
(Director)

Sd/-  
**S. Mitra**  
(Director)

Kolkata, 12 June 2012

## Auditors' Report to the Members of CESC Properties Limited

1. We have audited the attached Balance Sheet of CESC Properties Limited (the "Company") as at 31 March 2012, and the related Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes 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 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;



(f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:


(i) in the case of the Balance Sheet, of the state of affairs of the company as at 31 March 2012;

(ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

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

Kolkata  
12 June, 2012

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



Prabal Kr. Sarkar  
Partner  
Membership Number 52340

### Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of CESC Properties Limited on the financial statements as of and for the year ended 31 March, 2012

1. (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 have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.  
(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. The Company does not have any inventory and accordingly clause (ii) (a) to (ii) (c) of paragraph 4 of the Companies (Auditors' Report) (Amendment) Order, 2004 is not applicable.
3. The Company has not granted / taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. 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 fixed assets. The Company does not have any inventory and sale of goods and services. 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, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. 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 required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, in respect of provident fund, income tax, cess, work contract tax, professional tax and service tax the Company is regular in depositing undisputed statutory dues with the appropriate authorities. There are no statutory dues outstanding as at 31 March 2012, for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax and service tax which have not been deposited on account of any dispute.



**Annexure to Auditors' Report**

Referred to in paragraph 3 of the Auditors' Report of even date to the members of CESC Properties Limited on the financial statements for the year ended 31 March, 2012

10. The accumulated losses of the Company did not exceed fifty percent of its net worth as at 31 March, 2012 and it has incurred cash losses in the financial year ended on that date. However, it has not incurred cash losses in the immediately preceding financial year.
11. 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 bank at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. 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.
16. 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.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. 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.
19. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the year end.
20. The Company has not raised any money by public issues during the year.



**Annexure to Auditors' Report**

Referred to in paragraph 3 of the Auditors' Report of even date to the members of CESC Properties Limited on the financial statements for the year ended 31 March, 2012

21. 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Kolkata  
12 June, 2012

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



Prabal Kr. Sarkar  
Partner  
Membership Number 52340



CEFC Properties Limited

Registered Office: CEFC House, Chowringhee Square, Kolkata-700001

Balance Sheet as at 31st March, 2012

Particulars	Note No.	31st March, 2012	31st March, 2011
		Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	850,100,000	600,500,000
Reserves and Surplus	2.2	(24,479,593)	(12,837,219)
		<u>825,620,407</u>	<u>587,662,781</u>
<b>Share Application Money Pending Allotment</b>	2.3	-	9,600,000
<b>Non-current liabilities</b>			
Long-term borrowings	2.4	1,000,000,000	500,000,000
Other long-term liabilities		25,932,268	5,626,500
Long-term provisions	2.5	586,354	373,304
		<u>1,026,518,622</u>	<u>505,999,804</u>
<b>Current liabilities</b>			
Other current liabilities	2.6	134,018,800	141,809,074
Short-term provisions	2.7	80,660	67,000
		<u>134,099,460</u>	<u>141,876,074</u>
<b>TOTAL</b>		<u><b>1,986,188,489</b></u>	<u><b>1,245,138,609</b></u>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	2.8	104,092,784	103,830,906
Intangible assets	2.9	788,343	352,233
Capital work-in-progress	2.10	1,590,091,137	708,308,579
		<u>1,694,472,264</u>	<u>812,491,718</u>
Non-current investments	2.11	11,529,000	11,529,000
Deferred tax assets (net)	2.12	-	-
Long-term loans and advances	2.13	103,175,113	181,243,331
Other non-current assets	2.14	-	29,718
		<u>114,704,113</u>	<u>192,801,549</u>
<b>Current assets</b>			
Cash and bank balances	2.15	112,367,581	179,581,011
Short-term loans and advances	2.16	64,620,586	60,264,331
Other current assets	2.17	17,945	-
		<u>177,006,112</u>	<u>239,845,342</u>
<b>TOTAL</b>		<u><b>1,986,188,489</b></u>	<u><b>1,245,138,609</b></u>

Significant Accounting Policies

Notes 1 - 2.32 form an integral part of the Accounts.

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

For Lovelock & Lewes

Firm Registration Number: 301056E

Chartered Accountants

Prabai Kr. Sarkar


Partner

Membership No.: 52340

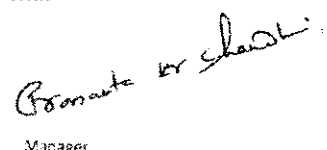
Kolkata

Date 12 June, 2012

For and on behalf of the Board of directors

  
Director

Director

  
Manager

**CESC Properties Limited**

Registered Office: CESC House, Chowringhee Square, Kolkata-700001

**Profit and Loss Statement for the year ended 31st March, 2012**

Particulars	Note No.	2011 - 12	2010 - 11
		Rs.	Rs.
Other Income	2.19	31,342,083	8,221,919
<b>Total Revenue</b>		<b>31,342,083</b>	<b>8,221,919</b>
<b>Expenses</b>			
Employee benefit expense	2.20	2,739,097	2,279,618
Finance costs	2.21	-	-
Depreciation and amortisation expenses	2.22	575,023	377,933
Other expenses	2.23	39,720,337	5,203,665
<b>Total expenses</b>		<b>43,034,457</b>	<b>7,861,216</b>
Profit / (Loss) before tax		(11,692,374)	360,702
Tax expense			
Current			67,000
Deferred			-
Profit / (Loss) for the year		<b>(11,692,374)</b>	<b>293,703</b>
<b>Earnings per equity share (Face value of Rs.10 per share)</b>			
Basic	2.28	(0.19)	0.78
Diluted	2.28	(0.19)	0.34

Significant Accounting Policies

1

Notes 1 - 2.32 form an integral part of the Accounts.

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

For Lovelock & Lewes

Firm Registration Number: 301056E

Chartered Accountants



Prabal Kr. Sarkar

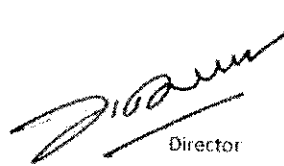
Partner

Membership No.: 52340

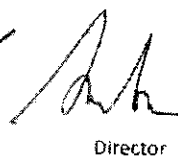
Kolkata

Date 12 June, 2012

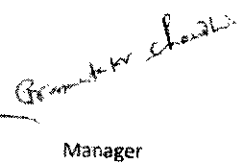
For and on behalf of the Board of directors



Director



Director



Manager

**Cash Flow Statement for the year ended 31 March, 2012**

	<u>2011-12</u>	<u>2010-11</u>
	Rs.	Rs.
<b>Cash flow from Operating Activities</b>		
Profit/(Loss) before Taxation	(11,692,374)	360,703
Adjustments for:		
Depreciation/Amortisation	575,023	377,933
Foreign Exchange Rate Variation	-	40,575
Filing Fees	3,250,000	3,388,007
Project Liability no longer required written back	(24,846,408)	-
Capital work-in-progress Expenditure Written Off	33,333,333	-
<b>Operating Profit before Working Capital changes</b>	<b>619,574</b>	<b>4,167,218</b>
Adjustments for:		
Receivables	73,717,236	(20,220,076)
Payables	9,492,254	10,028,975
<b>Net cash flow from Operating Activities</b>	<b>83,829,064</b>	<b>(6,023,883)</b>
<b>Cash flow from Investing Activities</b>		
Purchase of Fixed Assets / Capital Work in Progress	(751,358,932)	(479,335,612)
Advance to subsidiary for share subscription	-	(15,500,000)
<b>Net cash flow used in Investing Activities</b>	<b>(751,358,932)</b>	<b>(494,835,612)</b>
<b>Cash flows from Financing Activities</b>		
Proceeds from issue of Equity Shares	240,000,000	190,000,000
Proceeds from Long Term Borrowing (including refinance loan)	500,000,000	500,000,000
Interest paid	(139,683,562)	(56,841,097)
<b>Net cash flow from Financing Activities</b>	<b>600,316,438</b>	<b>633,158,903</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>(67,213,430)</b>	<b>132,299,408</b>
<b>Cash and Cash equivalents - Opening Balance</b>	<b>179,581,011</b>	<b>47,281,603</b>
<b>Cash and Cash equivalents - Closing Balance</b>	<b>112,367,581</b>	<b>179,581,011</b>

**Notes:**


1. 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 .
2. Previous year's figures have been regrouped /rearranged wherever necessary.
3. Cash in cash equivalents includes Rs.32,515,068/- (Previous year Rs.Nil) held as lien marked fixed deposit to Yes Bank Limited and Rs.4,515,079/- (Previous year Rs.895,200/-) in Escrow account not allowed for the use of the Company.


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

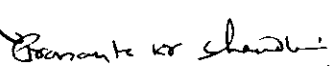
For Lovelock & Lewes  
Firm Registration Number: 301056E  
Chartered Accountants

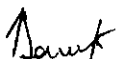
For and on behalf of the Board of Directors

Prabal Kr. Sarkar  
Partner  
Membership No.: 52340  
Kolkata  
Date 12 June, 2012

  
Director

  
Director

  
Manager



**1. Significant Accounting Policies**

**1.1) Accounting Convention**

The financial statements have been prepared to comply in all material aspects with all 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 Companies Act 1956. A summary of important accounting policies which have been applied consistently are set out below. During the year ended 31st March, 2012 the Revised Schedule VI notified under the Companies Act, 1956 has been applicable for preparation and presentation of its financial statement and the above financial statements have been prepared in accordance with the relevant presentation requirement of the aforesaid Revised schedule VI notified under Companies Act, 1956, with necessary re-classification for previous year's figures.

**1.2) Basis of Accounting**

The financial statements have been prepared under the historical cost convention.

**1.3) Tangible Assets**

**a) Cost**

Tangible Assets are stated at cost of acquisition together with any incidental expenses for acquisition /installation.

**b) Depreciation/Amortisation**

Depreciation is provided on written-down value method at the rates specified in Schedule XIV of the Companies Act, 1956. Leasehold land is amortised on a straight-line basis over the period of the lease.

**1.4) Intangible Assets**

**a) Cost**

Software cost is capitalised as intangible assets, where it is expected to provide future enduring economic benefit.

**b) Amortisation**

Software cost is amortised over a period of three years on a straight-line basis.



**1.5) Investments**

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

**1.6) Employee Benefits**

Provident Fund is accounted for on accrual basis and is contributed to the fund maintained with the Regional Provident Fund Commissioner, West Bengal. Provision for gratuity liability and leave encashment liability are made on the basis of actuarial valuation done at the end of the year by an independent actuary.

**1.7) Foreign Currency Transactions**

Transaction in foreign currency is 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 recognised in Profit and Loss Statement.

**1.8) Borrowing Costs**

Borrowing costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of costs of such assets up to the date where such assets are ready for their intended use. Other borrowing costs are charged off to Profit and Loss Statement.

**1.9) Leasing**

Lease rentals in respect of building under operating lease have been charged off to Profit and Loss Statement.

**1.10) 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.

Deferred Tax is recognized, subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income, which originate in one period and is capable of reversal in one or more subsequent year as per Accounting Standard 22 - "Accounting for Taxes on Income" as per Companies (Accounting Standards) Rules, 2006.



Note 2.1 Share Capital

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>Authorised share capital</b> 130,000,000 equity shares of Rs 10 each	1,300,000,000	650,000,000
<b>Issued, subscribed and paid - up capital</b> 85,010,000 (Previous year: 60,050,000) equity shares of Rs. 10 each; fully paid up.	850,100,000	600,500,000
	<b>850,100,000</b>	<b>600,500,000</b>

a) Terms/rights attached to equity shares:

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity is entitled to one vote per share. The company has not declared any dividend to its shareholders since inception. In the event of liquidation of the company the holders of equity shares will be entitled to receive 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.

b) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	% of holding	No. of shares	% of holding
CESC Limited	85,010,000	100	600,500,000	100

CESC Limited is also the holding Company of CESC Properties Limited and percentage of shares held is stated above.

c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No of Shares	Value (Rs)	No of Shares	Value (Rs)
Shares outstanding at the beginning of the year	60,050,000	600,500,000	50,000	500,000
Add: Equity Shares issued during the year	24,960,000	249,600,000	60,000,000	600,000,000
Shares outstanding at the end of the year	<b>85,010,000</b>	<b>850,100,000</b>	<b>60,050,000</b>	<b>600,500,000</b>

Note 2.2 Reserves and Surplus

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Surplus in the statement of Profit and Loss		
Debit Balance at the beginning of the year	(12,837,219)	(13,130,922)
Add: Profit / (Loss) for the year	(11,692,374)	293,703
Debit Balance at the end of the year	<b>(24,529,593)</b>	<b>(12,837,219)</b>

Note 2.3 Share Application Money Pending Allotment

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Application money received for allotment of shares	-	9,600,000
	-	<b>9,600,000</b>

During the year, the Company has allotted 24,960,000 Equity Shares at face value of Rs.10/- each out of share application money received in current and earlier years.



**Note 2.4 Long-term borrowings**

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Term loans From Banks	1,000,000,000	500,000,000
	<b>1,000,000,000</b>	<b>500,000,000</b>

**Nature of security**

The above term loan from the bank is secured by way of mortgage /hypothecation of current assets, all fixed assets (both present and future) of the company in respect of the Mall project including project land, together with an exclusive charge by way of hypothecation on all cash flows of the project, both present and future. However, creation of mortgage security in respect of immovable assets of the project including project land is in process.

Maturity Profile	Balance Outstanding as on 31st March, 2012 Rupee Term Loan from Banks Amount (Rs)
Loans with residual maturity between 5 and 10 years	1,000,000,000
<b>Total</b>	<b>1,000,000,000</b>
	Interest rates of loans are based on spread over Lender's benchmark rate

**Note 2.5 Long-term provisions**

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Provision for employee benefit Provision for Leave Encashment	586,354	373,304
	<b>586,354</b>	<b>373,304</b>

**Note 2.6 Other current liabilities**

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Liabilities on Capital Account	72,583,253	81,045,294
Payable to Haldia Energy Limited	50,000,000	50,000,000
Filing fees payable	3,250,000	3,388,007
Interest Accrued but not due	705,849	-
Audit fees payable	505,620	397,080
Professional and Consultancy fees payable	101,124	118,318
Statutory dues payable	6,693,201	6,450,960
Others payables	178,753	409,365
	<b>134,018,800</b>	<b>141,809,024</b>

There is no amount due to Micro and Small Enterprises as referred in the Micro, Small and Medium Enterprise Development Act, 2006 based on the information available with the Company.

**Note 2.7 Short-term provisions**

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Provision for taxation (Net of advance tax of Rs.67,000, Previous year Rs.Nil)	-	67,000
Provision for employee benefit Provision for gratuity	80,660	-
	<b>80,660</b>	<b>67,000</b>



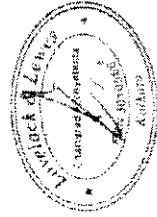
**CESC Properties Limited**  
**Registered Office: CESC House, Chowringhee Square, Kolkata-700001**

Note: 2.8 Tangible assets

PARTICULARS	GROSS BLOCK AT COST OR VALUATION		DEPRECIATION/AMORTISATION		NET BLOCK	
	As at 1st April, 2011 Rs.	Additions / Adjustments Rs.	As at 1st April, 2011 Rs.	Additions / Adjustments Rs.	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Leasehold Land	102,972,600	-	2,383,610	1,144,133	3,527,743	99,444,757
Building	3,098,637	-	313,993	139,232	453,225	2,645,412
Office equipments	18,977	813,675	12,109	26,900	39,009	793,643
Vehicles	654,006	805,641	447,093	239,292	686,385	206,613
Computers	657,277	371,478	413,186	179,359	592,545	244,091
Previous Year	107,400,897	1,990,794	3,569,991	1,728,916	5,298,907	104,097,784
	107,135,492	265,405	2,038,359	1,531,632	3,569,991	103,830,906

Note: 2.9 Intangible assets

PARTICULARS	GROSS BLOCK AT COST		AMORTISATION		NET BLOCK	
	As at 1st April, 2011 Rs.	Additions / Adjustments Rs.	As at 1st April, 2011 Rs.	Additions / Adjustments Rs.	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Computer software	1,429,240	65,582	1,077,007	129,472	1,206,479	288,343
	1,429,240	65,582	1,077,007	129,472	1,206,479	352,233
Previous Year	1,167,141	262,099	940,014	136,993	1,077,007	352,233





**CESC Properties Limited**

**Registered Office: CESC House, Chowringhee Square, Kolkata-700001**

**Note 2.10 Capital work-in-progress**

Particulars	As at 31st March, 2011 Rs.	Additions / Adjustments Rs.	As at 31st March, 2012 Rs.
Land Development and Other Site Enabling Activities	1,117,940	5,812,153	6,930,093
Civil Work and Mechanical, Electrical and Plumbing Services	484,955,348	732,587,707	1,217,543,055
Interest and Finance Charges	58,350,686	139,683,562	198,034,248
Consultancy Charges	19,511,896	10,501,992	30,013,888
Depreciation and Amortisation	3,685,920	1,283,365	4,969,285
Miscellaneous Project Expenditure	140,686,789	(8,086,221)	132,600,568
<b>Total</b>	<b>708,308,579</b>	<b>881,782,558</b>	<b>1,590,091,137</b>

**Note 2.11 Non-current investments**

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>Other than Trade Investments - Unquoted</b>		
Investments in equity instrument of Subsidiary company		
20,000 equity shares of Rs 10 each, fully paid up of Metromark Green Commodities Private Limited.	11,529,000	11,529,000
	<b>11,529,000</b>	<b>11,529,000</b>

a) The non-current investment is long term in nature.

b) Based on a review of the projected business prospect of the Company's subsidiary (which is in development stage), in spite of present losses therein, the management does not foresee any diminution other than temporary, in the value of the Company's non-current investment.

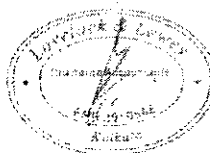
**Note 2.12 Deferred Taxes**

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
<b>Deferred Tax Liability</b>		
Depreciation difference	21,736,450	117,468
<b>Deferred Tax Asset</b>		
Unabsorbed Depreciation	(21,736,450)	(117,468)

As a matter of prudence, deferred tax assets have been recognised only to the extent of deferred tax liability.

**Note 2.13 Long term loans and advances**

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
(Unsecured, considered good)		
Capital advance	102,652,439	180,944,677
Security Deposits	172,460	172,460
Advance to related party		
Car Loan to Key Management Personnel	96,684	126,194
Other loans and advances		
Advance / Loan to employees	253,530	-
	<b>103,175,113</b>	<b>181,243,331</b>



CESC Properties Limited

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Note 2.14 Other non-current assets

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Receivable from gratuity fund	-	29,218
	-	29,218

Note 2.15 Cash and Bank Balances

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
(a) Cash and cash equivalents		
Balance with banks	75,327,774	178,684,893
Cash on hand	9,660	918
Deposits		
Bank deposit with original maturity upto 3 months (Bank deposit is in the form of lien marked Fixed Deposit to Yes Bank Limited)	32,515,068	-
(b) Other bank balances		
Escrow Account	4,515,079	895,200
	<b>112,367,581</b>	<b>179,581,011</b>

Note 2.16 Short term loans and advance

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
(Unsecured, considered good)		
Advance to related parties		
Metromark Green Commodities Private Limited	25,000,000	25,000,000
Car Loan to Key Management Personnel	28,572	28,572
Advance taxes (Service tax)	39,480,113	35,220,759
Advance taxes (Income tax) (Net of provision for taxation Rs.Nil, Previous year Rs.67,000)	21,399	-
Other advances		
Advance/Loan to employees	96,502	15,000
	<b>64,626,586</b>	<b>60,264,331</b>

Note 2.17 Other Current assets

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Interest Accrued on Bank Deposit	17,945	-
	<b>17,945</b>	<b>-</b>

Note: 2.18

Contingent Liabilities and commitments (to the extent not provided for)

a) Estimated amount of contracts remaining to be executed on Capital Account and not provided For Rs.930,955,444/- (31st March, 2011: Rs.1,320,146,539), net of advance Rs.102,652,439/- (31st March, 2011: Rs.180,944,677).

b) For Commitments relating to leasing arrangement, refer Note no. 2.26

Note 2.19 Other income

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Interest Income	19,740	-
Gain on sale of current investments (Net)	6,475,935	8,221,919
Project Liability(booked under Capital work in progress) no longer required written back	26,846,408	-
	<b>33,342,083</b>	<b>8,221,919</b>



Note 2.20 Employee benefit expenses

Particulars	2011-12	2010-11
	Rs.	Rs.
Salaries and bonus	14,149,548	8,791,189
Contribution to provident and other funds	763,664	473,728
Staff welfare expenses	967,613	559,460
	<b>15,880,825</b>	<b>9,824,387</b>
Less: Allocated to capital account Ref Note 2.10	13,141,728	7,544,779
	<b>2,739,097</b>	<b>2,279,618</b>

a) Employee Benefits

Defined Contribution Plan

The Company maintains a Provident Fund with the Regional Provident Fund authorities where contributions are made by the Company as well as by the employees. An amount of Rs. 686,505 (31 March, 2011 - Rs. 308,231) has been included in Miscellaneous Project Expenditure and an amount of Rs. 77,159 (31 March, 2010: 78,687) has been charged off to Profit and Loss Statement.

Defined Benefit Plan

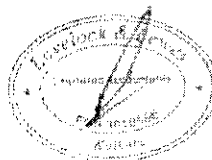
The Company makes annual contribution to the Employees' Group Gratuity Scheme. Liabilities at the year end for gratuity and leave encashment are determined on the basis of actuarial valuation carried out by an independent actuary based on the method prescribed in Accounting Standard 15- "Employee Benefits" as per Companies (Accounting Standard) Rules, 2006.

Net Liability/(Asset) recognised in the Balance Sheet are as

	2011-12		2010-11	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of funded obligation	402,441	-	264,646	-
Fair Value of Plan Assets	321,781	-	293,864	-
Present value of un-funded obligation	-	586,354	-	373,304
<b>Net Liability/(Asset)</b>	<b>80,660</b>	<b>586,354</b>	<b>(29,218)</b>	<b>373,304</b>
Experience (Gain)/ Loss adjustment on plan liabilities	41,518	275,210	30,929	119,290
Experience Gain/(Loss) adjustment on plan assets	3,379	-	3,220	-
Experience (Gain) adjustment on plan liabilities due to change in assumptions	(21,357)	(29,531)	(2,190)	(2,803)

	2009-10		2008-09	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of funded obligation	152,341	-	97,777	-
Fair Value of Plan Assets	268,368	-	148,920	-
Present value of un-funded obligation	-	216,660	-	143,684
<b>Net Liability/(Asset)</b>	<b>(116,027)</b>	<b>216,660</b>	<b>(51,143)</b>	<b>143,684</b>
Experience (Gain)/ Loss adjustment on plan liabilities	-	-	-	-
Experience Gain/(Loss) adjustment on plan assets	-	-	-	-
Experience (Gain) adjustment on plan liabilities due to change in assumptions	-	-	-	-

	2007-08	
	Gratuity	Leave Encashment
Present value of funded obligation	17,506	-
Fair Value of Plan Assets	136,750	-
Present value of un-funded obligation	-	50,122
<b>Net Liability/(Asset)</b>	<b>(119,244)</b>	<b>50,122</b>
Experience (Gain)/Loss adjustment on plan liabilities	-	-
Experience Gain/(Loss) adjustment on plan assets	-	-
Experience (Gain) adjustment on plan liabilities due to change in assumptions	-	-



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Amount recognized in Profit and Loss Statement and charged to Employee welfare expenses and Contribution to Provident and Other Funds are as follows:

	2011-12		2010-11		Rs.
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	
Current Service Cost	95,536	28,829	71,022	22,174	
Interest Cost	22,098	27,459	12,644	17,983	
Expected Return on Plan Assets	(24,538)	-	(22,275)	-	
Actuarial Loss/(Gain)	16,782	245,679	25,419	116,487	
Past service cost	-	-	-	-	
<b>Total</b>	<b>109,878</b>	<b>301,967</b>	<b>86,810</b>	<b>156,644</b>	

Reconciliation of opening and closing balances of the present value of obligations:

	2011-12		2010-11		Rs.
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	
Opening defined benefit obligation	264,646	373,304	152,341	216,660	
Current Service Cost	95,536	28,829	71,022	22,174	
Interest Cost	22,098	27,459	12,644	17,983	
Actuarial Loss/(Gain)	20,161	245,679	28,639	116,487	
Benefits paid	-	(88,917)	-	-	
<b>Closing Defined Benefit Obligation</b>	<b>402,441</b>	<b>586,354</b>	<b>264,646</b>	<b>373,304</b>	

Reconciliation of opening and closing balances of fair value of plan assets:

	2011-12		2010-11		Rs.
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	
Opening fair value of Plan Assets	293,864	-	268,369	-	
Expected Return on Plan Assets	24,538	-	22,275	-	
Actual Company Contributions	-	88,917	-	-	
Actuarial (Loss)/Gain	3,379	-	3,220	-	
Benefits paid	-	(88,917)	-	-	
<b>Closing Fair Value on Plan Assets</b>	<b>321,781</b>	<b>-</b>	<b>293,864</b>	<b>-</b>	

**Actual Return on Plan Assets (Rs.)**

**27,917**

**25,495**

Employees of the Company are member of recognized funds maintained by CESC Limited. Hence the category of plan assets w.r.t the obligations towards the employees of the Company are not separately identifiable.

Principal Actuarial Assumption Used:

	2011-12	2010-11
Discount Rates	8.75%	8.35%
Expected Return on Plan Assets	8.75%	8.35%
Mortality Rates	LIC 1994-96 mortality tables	LIC 1994-96 mortality tables

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, 2013 cannot be readily ascertainable and therefore not disclosed.



CESC Properties Limited

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**Note 2.21 Finance costs**

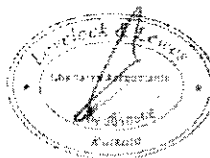
Particulars	2011 - 12	2010 - 11
	Rs.	Rs.
Interest expense	99,583,562	19,041,097
Other Borrowing Costs	40,100,000	37,800,000
	<b>139,683,562</b>	<b>56,841,097</b>
Less: Allocated to capital account <i>Ref Note 2.10</i>	139,683,562	56,841,097
	-	-

**Note 2.22 Depreciation and Amortisation Expenses**

Particulars	2011 - 12	2010 - 11
	Rs.	Rs.
Depreciation / amortisation on tangible assets	1,728,916	1,531,632
Amortisation on intangible assets	129,472	136,993
	<b>1,858,388</b>	<b>1,668,625</b>
Less: Allocated to capital account <i>Ref Note 2.10</i>	(1,283,365)	(1,290,692)
	<b>575,023</b>	<b>377,933</b>

**Note 2.23 Other expenses**

Particulars	2011 - 12	2010 - 11
	Rs.	Rs.
Rent	4,909,508	4,344,628
Repairs and Maintenance	139,056	68,660
Travelling and Conveyance	1,547,570	609,311
Service Charges	-	19,915
Communication Charges	176,274	106,393
Professional Fee	6,982,768	4,733,046
Filing fees and other charges	3,266,390	3,426,926
Audit fees	500,000	400,000
Printing and Stationery	209,397	87,696
Manpower Service Charges	127,138	-
General Charges	89,902	100,993
Miscellaneous Office Expenses	544,385	154,585
Capital work-in-progress Expenditure Written Off	33,333,333	-
	<b>51,825,721</b>	<b>14,052,153</b>
Less: Allocated to capital account <i>Ref Note 2.10</i>	12,105,384	8,848,488
	<b>39,720,337</b>	<b>5,203,665</b>



**CESC Properties Limited**

**Registered Office: CESC House, Chowringhee Square, Kolkata – 700001**

**Note: 2.24**

The Company has been incorporated for development of properties ("Projects") and has not yet commenced commercial operation. Consequently, all expenditure incurred during the year and attributable to the "Projects" has been included under Capital Work in Progress. All other expenditure is charged to the Profit and Loss Statement.

**Note: 2.25**

**Related Party Disclosures**

**Related Parties and their relationships**

	<b>Nature of relationship</b>	<b>Name of related parties</b>
i	Holding Company	CESC Limited
ii	Subsidiary Company	Metromark Green Commodities Private Limited
iii	Fellow Subsidiary Company's	Haldia Energy Limited, Dhariwal Infrastructure Limited, Spencer's Retail Limited, Music World Retail Limited, Au Bon Pain Café India Limited, Nalanda Power Company Limited, CESC Infrastructure Limited, Surya Vidyut Limited, CESC Projects Limited (w.e.f. 13 June, 2011), Bantal Singapore Pte Ltd (w.e.f. 30 May, 2011)
iv	Key Management Personnel	Mr. Prasanta Kumar Chaudhuri

**Details of transaction between the company and related parties and status of outstanding balance**

		<b>Current Year</b>				<b>Previous Year</b>				<b>Rs.</b>
		<b>Holding</b>	<b>Subsidiary</b>	<b>Fellow Subsidiary</b>	<b>Key Mgmt Personnel</b>	<b>Holding</b>	<b>Subsidiary</b>	<b>Fellow Subsidiary</b>	<b>Key Mgmt Personnel</b>	
i	Advance received against equity shares	240,000,000	-	-	-	190,000,000	-	-	-	
ii	Allotment of Equity Shares	249,600,000	-	-	-	600,000,000	-	-	-	
iii	Loan/ Advance for Equity given	-	-	-	-	-	15,500,000	-	-	
iv	Security Deposit made	-	-	-	-	5,000	-	-	-	
v	Remuneration paid	-	-	-	978,915	-	-	-	5,668	
vi	Loan repaid	-	-	-	29,509	-	-	-	28,572	
vii	Write back of liability	(24,846,408)	-	-	-	-	-	-	-	
viii	Balance as at 31.03.2012									
	Credit	-	-	50,000,000	-	34,441,408	-	50,000,000	-	
	Debit	5000	2,50,00,000	-	125,256	-	2,50,00,000	-	154,765	



**Note: 2.26**

**Operating Lease**

Lease payments are under cancellable operating lease for a period of 21 years for leased premises.

Cancellable operating lease payment amounting to Rs. 669,840 (31st March, 2011: Rs. 669,840) is debited under the head Rent in Profit and Loss Statement.

**Note: 2.27**

**Auditors' Remuneration**

Miscellaneous office expenses shown in Note 2.23 include

Particulars	2011-12 Rs.	2010-11 Rs.
Tax Audit Fee	200,000	-
Other Services	50,000	25,000
Reimbursement of expenses (including applicable service tax)	65,109	47,818

**Note: 2.28**

**Earnings per Share (EPS):**

**Computation of earning per share**

	2011-12	2010-11
(i) Number of Equity Shares at the beginning of the year	60,050,000	50,000
(ii) Number of Equity Shares issued during the year	2,496,0000	60,000,000
(iii) Number of Equity Shares at the end of the year	85,010,000	60,050,000
(iv) Weighted average number of Equity Shares outstanding for the year for Basic EPS (A)	60,186,767	378,767
(v) Effect of potential Equity Shares on share application money pending allotment.	-	486,575
(vi) Weighted Average number of Equity Shares for Diluted EPS (B)	60,186,767	865,342
(vii) Face Value of each Equity Share (in Rs.)	10	10
(viii) Profit/ (Loss) attributable to Equity Shareholders (Rs.) (C)	(11,692,374)	293,703
Earnings/(Loss) per share – Basic (C/A)	(0.19)	0.78
Earnings/(Loss) per share – Diluted (C/B)	(0.19)	0.34



**CESC Properties Limited**

**Registered Office: CESC House, Chowringhee Square, Kolkata – 700001**

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**Note: 2.29**

Expenditure in Foreign Currency

	Rs.	Rs.
	2011-12	2010-11
Consultancy fees	2,042,697	1,150,613
Others	1,158,295	-

**Note: 2.30**

The Company is engaged in the business of development of property and does not operate in any other reportable segment.

**Note: 2.31**

The Company is in the process of appointing a Company Secretary.

**Note: 2.32**

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.

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



Prabal Kr. Sarkar  
Partner  
Membership No.52340  
Kolkata, 2012

For and on behalf of the Board of Directors



Director



Director



Manager



**CESC PROPERTIES LIMITED**


STATEMENT REGARDING SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR ENDING 31 MARCH 2012

PURSUANT TO SECTION 212 OF COMPANIES ACT, 1956

Sl No	Name of Subsidiary Company	Number of Shares held by the Company	Extent of Holding	Profit / (Losses) so far as it concerns the members of the holding Company and not dealt with in the books of Accounts of the Holding Company		Profit / (Losses) so far as it concerns the members of the holding Company and dealt with in the books of Accounts of the Holding Company	
				For the Financial Year of the Subsidiary	For the Previous Financial year(s) since it become a subsidiary	For the Financial Year of the Subsidiary	For the Previous Financial year(s) since it become a subsidiary
				Rs	Rs	Rs	Rs
1	Metromark Green Commodities Private Limited	20,000	100%	(671,830)	(4,366,030)		

For and on behalf of the Board

  
Director

  
Director

  
Manager