

CESC INFRASTRUCTURE LIMITED

DIRECTORS' REPORT

The Directors present the Fourth Annual Report and Audited Accounts of CESC Infrastructure Limited for the year ended 31 March 2014.

FINANCIAL RESULTS

During the year under review there was no earning of the Company, and the Company incurred a net loss of Rs. 123.77 lacs. After taking into consideration losses brought forward from previous years, a total loss of Rs. 434.19 lacs has been carried to Balance Sheet.

SUBSIDIARIES

As on 31 March 2014, the Company had two subsidiaries namely Haldia Energy Limited and Dhariwal Infrastructure Limited.

The details of operation of these subsidiaries are given as under:

Haldia Energy Limited (HEL) is executing a 2 x 300 MW coal fired thermal power project at Haldia in West Bengal. HEL has executed a long term power purchase agreement with CESC Limited, its ultimate holding company, for selling entire power generated from the project. The project is in advanced stages of construction and both units will be commissioned sequentially in 2014 – 15. Construction of the intake water pump house and laying of cross-country pipeline was completed in 2013-14. Work on railway infrastructure as well as 400 kV transmission line, which will have 236 metre high towers for crossing nearby two-kilometer stretch of the river Hooghly, is in advance state of completion.

Dhariwal Infrastructure Limited (DIL) is executing 2 x 300 MW coal fired thermal power project at Chandrapur in Maharashtra. Unit 1 was commissioned during the year and went into commercial operation in Q4 2013-14. Unit 2 is expected to start commercial operation in Q1 2014-15. The construction of transmission lines for power evacuation is also complete. Two such transmission lines have been constructed – one connecting the state grid and the other to the national grid. This will provide the Company flexibility in sale of power to customers from both within and outside the state.

SHARE CAPITAL

During the year under review, Authorized Capital of the Company was raised from Rs. 1700 crores to Rs. 2500 crores by creation of 800000000 new equity shares of Rs. 10/- each.

Issued, Subscribed and Paid up Capital of the Company was raised from Rs. 11,88,05,00,000 to Rs. 21,15,05,00,000 by issue and allotment of 92,70,00,000 new equity shares of Rs. 10 each for cash at par to CESC Limited, the Holding Company.

DIVIDEND

In view of the loss during the year, the Directors do not recommend any dividend.

PUBLIC DEPOSITS

The Company, during the year, has not accepted any deposits within the meaning of Section 58A of the Act and Rules made thereunder.

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 Mr. R. Jha, Mr. S. Talukdar and Mr. S. Mitra.

RESPONSIBILITY STATEMENT

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

- i) in the preparation of accounts for the year ended 31 March 2014, 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 2014 and of the loss for the year 1 April 2013 to 31 March 2014;
- 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 accounts for the year ended 31 March 2014 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 not engaged in any power-intensive industry; the Company is making every effort to conserve the use of power. 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 earnings or outgo.

PARTICULARS OF EMPLOYEES

There was no employee during the period 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/-
S. Talukdar
(Director)

Sd/-
S. Mitra
(Director)

Kolkata, 30 May 2014

INDEPENDENT AUDITORS' REPORT

To the Members of CESC Infrastructure Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of CESC Infrastructure Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014 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 Management 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 notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 and other applicable authoritative pronouncements 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' judgment, 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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

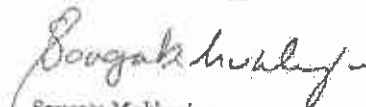
6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the loss 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 notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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



Sougata Mukherjee
Partner
Membership Number 57084

Kolkata
May 30, 2014

Annexure to Independent Auditors' Report

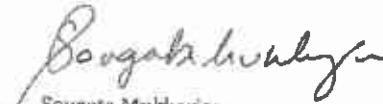
Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of CLSC Infrastructure Limited on the financial statements as of and for the year ended March 31, 2014

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- 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.
- xxd. 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.

Kolkata
May 30, 2014

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



Sougata Mukherjee
Partner
Membership Number 57084

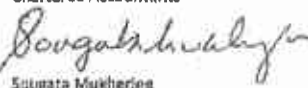
CESC Infrastructure Limited
Registered Office: CESC House, Chowringhee Square, Kolkata-700001

Balance Sheet as at 31st March, 2014

Particulars	Notes No.	As at 31st March 2014	As at 31st March 2013
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2.1	21,15,05,00,000	11,88,05,00,000
Reserves and Surplus	2.2	(4,34,19,385)	(3,10,41,919)
Non-Current liabilities			
Long term provisions	2.3	21,00,427	4,68,250
Current liabilities			
Other current liabilities	2.4	24,86,243	5,60,63,90,197
Short term provisions	2.5	15,956	-
TOTAL		21,11,16,83,241	17,45,63,16,528
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.6	4,12,409	1,54,854
Non-current investments			
Deferred Tax Asset (Net)	2.7	20,77,06,00,060	17,10,57,89,600
Long term loans and advances	2.8	-	-
	2.9	5,53,285	30,000
Current assets			
Current investments	2.10	29,72,85,000	29,72,85,000
Cash and bank balances	2.11	1,32,53,827	5,30,57,074
Short term loans and advances	2.12	2,95,68,660	-
TOTAL		21,11,16,83,241	17,45,63,16,528
Notes forming part of Financial Statements	1 - 2.21		


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

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


 Sougata Mukherjee
 Partner
 Membership Number 57084

Place: Kolkata
 Date:

For and on behalf of the Board of Directors


 Director


 Director

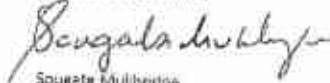

 Manager

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

Statement of Profit and Loss for the year ended 31st March, 2014

Particulars	Note No.	2013-14 Rs.	2012-13 Rs.
Revenue			
Expenses			
Employee benefit expenses	2.13	82,64,852	46,08,623
Depreciation and amortisation expense	2.6	97,348	13,985
Other expenses	2.14	40,15,266	35,36,930
		1,23,77,466	81,59,538
Earnings / (Loss) for the Year		(1,23,77,466)	(81,59,538)
Loss per equity share (Face value of Rs. 10 per share) Basic and Diluted	2.18	(0.010)	(0.010)
Notes forming part of Financial Statements	1 - 2,21		

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

 Sougata Mukherjee
 Partner
 Membership Number 57084

For and on behalf of the Board of Directors

 Director
 Director
 Manager

Place: Kolkata
 Date:

CESC Infrastructure Limited
 Registered Office: CESC House, Chatterjee Square, Kolkata-700001
 Cash Flow Statement for the year ended 31st March, 2014

	2013-14	2012-13
	(Rs.)	(Rs.)
A. Cash Flow from Operating Activities		
(Loss) before taxation for the year	(1,23,77,466)	(81,59,538)
Adjustment for:		
Depreciation and Amortisation	97,348	13,985
Operating Loss before Working Capital Changes	(1,22,80,118)	(81,45,553)
Adjustment for:		
(Increase) in Loans and Advances	(3,00,91,945)	(80,000)
Increase/(Decrease) in Current Liabilities and Provisions	29,53,719	9,08,132
Net Cash used in Operating Activities	(8,84,38,344)	(72,67,422)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(3,34,903)	(1,68,899)
Sale of Current Investments		3,00,00,000
Investments in Subsidiary	(3,66,48,10,460)	(2,27,00,00,000)
Payment made to Subsidiary (Refer Note 2)	(5,60,51,89,540)	(1,35,00,00,000)
Net Cash used in Investing Activities	(8,27,03,54,903)	(3,59,01,68,899)
C. Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	5,27,00,00,000	3,62,00,00,000
Net Cash Flow from Financing Activities	9,27,00,00,000	3,62,00,00,000
Net Increase of Cash and Cash Equivalents	(3,97,93,247)	2,25,81,740
Cash and Cash Equivalents - Opening Balance	5,30,57,074	3,64,93,394
Cash and Cash Equivalents - Closing Balance	1,32,63,827	5,90,75,134

Notes:

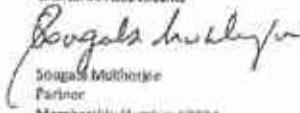
1 The Cash Flow Statement has been prepared under the indirect method as given in the Accounting Standard on Cash Flow Statement (AS-3) as per Companies (Accounting Standard) Rules, 2006.

	(Rs.)	(Rs.)
2 Opening Balance	5,60,51,89,540	6,95,51,89,540
Purchase Consideration for acquiring shares of Subsidiary		
Amount Paid	(5,60,51,89,540)	(1,35,00,00,000)
Balance Payable		5,60,51,89,540

3 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 & Lowes
 Firm Registration Number - 301056E
 Chartered Accountants


 Sougata Mukherjee
 Partner
 Membership Number 57064

Place: Kolkata
 Date:

For and on behalf of the Board of Directors


 Director Director Manager

1. Significant Accounting Policies

i) Accounting Convention

Pursuant to circular 15/2013 dated 13th September, 2013 read with circular 08/2014 dated 4th April, 2014, till the Standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956. A summary of important accounting policies which have been applied consistently are set out below.

ii) Basis of Accounting

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

iii) Tangible Assets

a) Cost

Tangible Assets are stated at cost of acquisition together with any incidental expenses for acquisition/installation. 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. Profit and Loss on disposal of tangible assets is recognized in the Statement of Profit and Loss.

b) Depreciation

Depreciation on tangible assets is provided on written-down value method at the rates specified in Schedule XIV to the Companies Act, 1956.

iv) Deferred Tax

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 are 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. Deferred tax assets are not recognised unless there is reasonable certainty and in case of brought forward loss and unabsorbed depreciation there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

v) 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.

vi) 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.



CESC Infrastructure Limited

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

vii) Leasing

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



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

Note - 2.1 : Share Capital

Particulars	As at	
	31st March 2014 Rs.	31st March 2013 Rs.
Authorized Share Capital		
2,500,000,000 (Previous Year: 1,700,000,000) Equity Shares of Rs 10/- each	25,00,00,00,000	17,00,00,00,000
Issued, Subscribed and Paid up capital		
2,115,050,000 (Previous Year: 1,188,050,000) Equity Shares of Rs 10/- each, fully paid up	21,15,05,00,000	11,88,05,00,000
	<u>21,15,05,00,000</u>	<u>11,88,05,00,000</u>

- (a) **Terms/rights attached to a 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 shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	%	No. of shares	%
CESC Limited	2,11,50,50,000	100	1,18,80,50,000	100

CESC Limited is the Holding Company of CESC Infrastructure Limited and percentage of shares held is stated above.

- (c) **Reconciliation of shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	Rs.	No. of shares	Rs.
Opening balance at the beginning of the year	1,18,80,50,000	11,88,05,00,000	87,60,50,000	8,76,05,00,000
Add: Equity shares issued during the year	92,70,00,000	9,27,00,00,000	36,75,00,000	3,62,00,00,000
Shares outstanding at the end of the year	2,11,50,50,000	21,15,05,00,000	1,18,80,50,000	11,88,05,00,000



Note - 2.2 : Reserves and Surplus

Particulars	As at	As at
	31st March 2014	31st March 2013
	Rs.	Rs.
Surplus in the Statement of Profit and Loss	(3,20,41,919)	(2,28,82,881)
Debit balance at the beginning of the year	(1,23,77,466)	(87,59,532)
Add: Loss for the year	(4,34,19,385)	(3,10,42,919)
Debit balance at the end of the year		

Note 2.3: Long term provisions

Particulars	As at	As at
	31st March 2014	31st March 2013
	Rs.	Rs.
Provision for Employee benefits	21,00,427	4,68,250
	<u>21,00,427</u>	<u>4,68,250</u>

Note - 2.4: Other current liabilities

Particulars	As at	As at
	31st March 2014	31st March 2013
	Rs.	Rs.
Payable to Subsidiary Company	2,77,918	5,60,51,89,540
Other payables	22,08,325	12,00,657
	<u>24,86,243</u>	<u>5,60,63,99,197</u>

- (a) 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.
- (b) Other payables include employee related liability, professional fees, creditors towards contractual obligations, etc.

Note 2.5: Short term provisions

Particulars	As at	As at
	31st March 2014	31st March 2013
	Rs.	Rs.
Provision for Employee benefits	15,956	-
	<u>15,956</u>	<u>-</u>



CESC Infrastructure Limited
Registered Office: CESC House, Choverthigai, Square, Kolkata-700012.

NOTE 1.6. Tangible Assets

PARTICULARS	GROSS BLOCK AT COST		DEPRECIATION		NET BLOCK	
	As at 1st April, 2013 Rs.	Additions /Adjustments As at 31st March, 2014 Rs.	As at 1st April, 2013 Rs.	Additions /Adjustments As at 31st March, 2014 Rs.	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
Computers	1,58,839	3,54,903	13,985	97,348	4,12,409	1,54,854
TOTAL	1,58,839	3,54,903	13,985	97,348	4,12,409	1,54,854
Previous Year	1,58,839	1,58,839	13,985	13,985	1,54,854	1,54,854



Note 2.7: Non Current Investments

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
Other than Trade Investments - Unquoted		
Investments in Equity Instruments		
Subsidiary Companies		
730,441,049 (Previous Year: 712,960,003) Equity Shares of Haldia Energy Limited of Rs 10 each, fully paid up	7,30,54,10,520	7,13,06,00,060
1,035,768,954 (Previous year : 686,768,954) Equity Shares of Dhariwal Infrastructure Limited of Rs 10 each, fully paid up	13,46,51,89,540	9,97,51,89,540
	20,77,06,00,060	17,10,57,89,600

(a) All non-current Investments are long term in nature.

(b) Based on a review of the projected business prospect of the Company's subsidiaries (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 2.8: Deferred taxes

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
Deferred Tax Liability		
Depreciation Difference	16,700	2,269
Deferred Tax Asset		
Unabsorbed Business Loss/depreciation	(16,700)	(2,269)

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

Note 2.9: Long-term loans and advances

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
(Unsecured, considered good)		
Advance / Loan to employees	5,23,285	
Other Deposits	30,000	30,000
	5,53,285	30,000



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

Note 2.10: Current Investments

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
Other than Trade Investments - Unquoted		
29,728,500 (Previous Year : 29,728,500) Equity Shares of Noida Power Company Limited of Rs 10 each, fully paid up	29,72,85,000	29,72,85,000
	29,72,85,000	29,72,85,000

Note 2.11: Cash and Bank Balances

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
Cash and Cash equivalents		
Balance with Banks in Current Accounts	1,32,63,827	5,30,33,860
Cash on hand	-	23,214
	1,32,63,827	5,30,57,074

Note 2.12: Short term loans and advances

Particulars	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
(Unsecured, considered good)		
Advances to related parties	2,75,64,123	-
Other Advances		-
Miscellaneous Advance to Body Corporate	14,89,369	-
Prepaid Insurance	4,21,892	-
Advance / Loan to employees	93,276	-
	2,95,68,660	-



Note 2.13 : Employee Benefit Expenses

Particulars	2013-14 Rs.	2012-13 Rs.
Salaries	3,51,60,973	41,76,645
Contribution to provident and other funds	1,29,089	1,61,517
Staff Welfare Expenses	10,05,062	2,70,461
	<u>3,62,95,984</u>	<u>46,08,623</u>
Less: Transfer to Subsidiaries / Other Body Corporate	2,80,31,142	-
	<u>82,64,852</u>	<u>46,08,623</u>

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. 1,29,959/- (Previous Year - Rs. 1,61,517/-) has been charged off to Statement of Profit and Loss.

Defined Benefit Plan

The Company also provides for gratuity and leave encashment benefit to the employees. Annual actuarial valuations at the end of the each year are carried out by an independent actuary based on the method prescribed in Accounting Standard - 15 - "Employee Benefits" of the Companies (Accounting Standards) Rules 2006.

Net liability recognised in the Balance Sheet are as follows:

	Gratuity			Leave Encashment		
	2013-14	2012-13	2011-12	2013-14	2012-13	2011-12
Present value of unfunded obligation	3,54,321	41,244	-	17,62,062	4,27,006	-
Net Liability	<u>3,54,321</u>	<u>41,244</u>	-	<u>17,62,062</u>	<u>4,27,006</u>	-

Amount recognised in the Statement of Profit and Loss and charged to Salaries as follows:

	Gratuity			Leave Encashment		
	2013-14	2012-13	2011-12	2013-14	2012-13	2011-12
Current Service cost	1,29,772	41,244	-	48,492	4,27,006	-
Interest cost	5,382	-	-	35,014	-	-
Net actuarial losses recognised during the year	1,79,923	-	-	12,31,550	-	-
Total	<u>3,15,077</u>	<u>41,244</u>	-	<u>33,35,056</u>	<u>4,27,006</u>	-

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

	Gratuity			Leave Encashment		
	2013-14	2012-13	2011-12	2013-14	2012-13	2011-12
Opening defined benefit obligation	41,244	-	-	4,27,006	-	-
Current service cost	1,29,772	41,244	-	48,492	4,27,006	-
Interest cost	3,382	-	-	35,014	-	-
Actuarial losses	1,79,923	-	-	12,31,550	-	-
Benefits paid	-	-	-	-	-	-
Closing Defined Benefit Obligation	<u>3,54,321</u>	<u>41,244</u>	-	<u>17,62,062</u>	<u>4,27,006</u>	-

Principal Actuarial Assumptions Used:

	2013-14	2012-13	2011-12	2013-14	2012-13	2011-12
Discount Rates	9.20%	8.20%	-	8.20%	8.20%	-
Expected salary increase rates	5.00%	5.00%	-	5.00%	5.00%	-
Mortality Rates	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate	-	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) 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 contribution expected to be made by the Company for the year ending 31 March, 2015 cannot be readily ascertainable and therefore not disclosed.



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Note 2.14 : Other Expenses

Particulars	2013-14	2012-13
	Rs.	Rs.
Rates and taxes	9,400	16,750
Car Hire Charges	4,55,757	-
Lease Rent	6,30,503	26,251
Audit Fees(Including Service Tax)	7,86,520	5,61,800
Membership & Subscription	7,650	25,00,000
Professional Fees	5,79,075	1,78,441
Travelling Expenses	11,83,471	2,38,388
Office Maintenance	5,93,468	-
Miscellaneous Expenses	2,63,675	15,300
	45,09,519	35,36,930
Less: Transfer to Subsidiaries / Other Body Corporate	4,94,253	-
	40,15,266	35,36,930

Note 2.15 Contingent Liabilities and Commitments (To the extent not provided for)

The Company, has commitment in providing equity support to the subsidiaries for project development and has subjected itself for certain restrictions in transfer of its investments in such subsidiaries. The future cash outflow in respect of above contract cannot be ascertained at this stage.



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Note 2.16:

Since the Company has incurred loss during the year, no provision for taxation has been made in the Financial Statements.

Note 2.17:

The Company is engaged in the business of promoting power development projects through subsidiaries and does not operate in any other reportable segment.

Note 2.18:

Earnings per Share

Computation of Earnings / (Loss) per Share

Particulars	2013-14 Rs.	2012-13 Rs.
(i) Number of Equity Shares at the beginning of the year	1,188,050,000	826,050,000
(ii) Number of Equity Shares Issued during of the year	927,000,000	362,000,000
(iii) Number of Equity Shares at the end of the year	2,115,050,000	1,188,050,000
(iv) Weighted average number of Equity Shares outstanding for the year (A)	1,190,589,726	828,033,562
(v) Face Value of each Equity Share (in Rs.)	10	10
Earnings / (Loss) attributable to Equity Shareholders (B) (in Rs.)	(12,377,466)	(8,159,538)
Basic & Diluted Earnings / (Loss) Per Share of Rs. 10 (B/A)	(0.010)	(0.010)



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Note 2.19:
Related Party disclosures

2.19.1. Related Parties and their Relationship

Name of Related Parties		Nature of relationship
i	CESC Limited	Holding Company
ii	Noida Energy Limited, Dharwad Infrastructure Limited	Subsidiary Company
iii	Noida Power Company Limited	Subsidiary Company (from 23rd July, 2012 to 18th March, 2013)
iv	Spencer's Retail Limited, CESC Properties Limited, Metromark Green Commodities Private Limited, Music World Retail Limited, Au Bon Pain Café India Limited, Nalanda Power Company Limited, CESC Projects Limited, Bantal Singapore Pte. Limited, Surya Vidyut Limited, Papu Hydropower Projects Limited, Pachi Hydropower Projects Limited, Spen Iiq Private Limited, Firstsource Solutions Limited, Firstsource Group USA , Inc., Firstsource BPO Ireland Limited, Firstsource Solutions UK Limited, Anunite Tech Infrastructure Services Limited, Firstsource-Dialog Solutions Pvt. Limited, MedAssist Holding, Inc., Firstsource Business Process Services, LLC, Firstsource Solutions USA, LLC, Firstsource Advantage, LLC, Firstsource Solutions SA (Argentina)*, LLC, Firstsource Transaction Services, LLC, Twin Lakes Property LLC (Twinlakes-I) #, Twin Lakes Property LLC (Twinlakes-II) #, Ranchi Power Distribution Company Limited	Fellow Subsidiary Companies
v	Mr. Prabir Kumar Mitra	Key Management Personnel

* w.e.f. 31-12-2013

Dissolved during the year



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2.19.2 Details of transactions between the Company and related parties and status of outstanding balance.

Rs.

	2015 - 14				2014 - 13			
	Holding Company	Subsidiary Companies	Follow Subsidiary Companies	Key Management Personnel	Holding Company	Subsidiary Companies	Follow Subsidiary Companies	Key Management Personnel
i	Share Application Money Received	9,270,000,000	-	-	3,620,000,000	-	-	-
ii	Allotment of Equity Shares against (i) above	9,270,000,000	-	-	3,620,000,000	-	-	-
iii	Advance to Haldia Energy Limited against Issue of Equity Shares	-	174,810,460	-	-	-	-	-
iv	Allotment of Equity Shares against (iii) above	-	174,810,460	-	-	-	-	-
v	Payment to Haldia Energy Limited for purchase of Equity Shares of Dharwal Infrastructure Limited in 2013-12	-	5,605,189,540	-	-	1,350,000,000	-	-
vi	Advance to Dharwal Infrastructure Limited against Issue of Equity Shares	-	3,490,000,000	-	-	2,270,000,000	-	-
vii	Allotment of Equity Shares against (vi) above	-	3,490,000,000	-	-	2,270,000,000	-	-
viii	Remuneration to Mr. Prabh Kumar Mitra	-	-	-	120,000	-	-	120,000
ix	Payable to CESC Limited for expenses	42,535	-	-	-	-	-	-
x	Payable to Dharwal Infrastructure	-	183,260	-	-	-	-	-



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	Limited for Car Loan							
xi	Payable to Haldia Energy Limited for Car Loan		54,258					
xii	Expense Recoverable from CESC Properties Limited			235,275				
xiii	Expense Recoverable from Ranchi Power Distribution Company Limited			32,501				
xiv	Expense Recoverable from Surya Vidyut Limited			1,489,370				
xv	Expense Recoverable from Haldia Energy Limited		6,057,058					
xvi	Expense Recoverable from Dharwad Infrastructure Limited		13,221,822					
xvii	Expense Recoverable from CESC Limited	528,097						
xviii	Outstanding Balance Debt (Rs.)	485,562	25,000,962	1,757,148				
	Credit (Rs.)	-	-	-	356,363	5,605,189,540		237,683

Note 2.20:

The Company ensures secretarial compliances and takes help of professional experts as required. The Company is in the process of looking for and appointing a whole time Company Secretary.

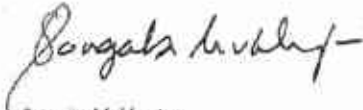


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Note 2.21:

Previous year's figures have been re-classified/regrouped wherever necessary.

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



Sougata Mukherjee
Partner
Membership Number 57084

For and on behalf of Board of Directors



Director Director Manager

Place: Kolkata
Date:

CESC Infrastructure Limited
 Registered Office: CESC House, Chowringhee Square, Kolkata-700002

STATEMENT REGARDING SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR ENDING 31st MARCH 2014

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	Helkila Energy Limited	73,04,41,049	100%	(18,35,86,095)	(59,55,23,329)		
2	Dharawal Infrastructure Limited	1,03,57,68,954	100%	(56,91,00,277)	(22,08,15,764)		

For and on behalf of the Board


 Director


 Manager