

Board of Directors

Rama Prasad Goenka, *Chairman*
 Sanjiv Goenka, *Vice-Chairman*
 Pradip Kumar Khaitan
 Brij Mohan Khaitan
 Srinivasan Kothandaraman Vaidyanathan Srinivasan
(Nominee of IDBI)
 Srikandath Narayan Menon
 Om Prakash Vaish
 Chandra Kumar Dhanuka
 Sumantra Banerjee, *Managing Director*

Vice President & Company Secretary

Subhasis Mitra

Auditors

Lovelock & Lewes

Solicitors

Khaitan & Co.
 Sandersons & Morgans

Registered Office

CESC House
 Chowringhee Square
 Kolkata 700 001
 Telephone : (033) 2225 6040
 Facsimile : (033) 2225 5155
 E-mail: cesc@rp-sg.in
 Website : 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

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Notice to Members



Notice is hereby given that the Thirty-fourth 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, 27 July 2012 at 10.30 A.M. for the following purposes :

1. To receive and consider the Profit & Loss Account for the year ended 31 March 2012, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.
2. To declare Dividend.
3. To appoint a Director in place of Mr. P. K. Khaitan who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. S.K.V. Srinivasan 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 Rs. 45,00,000/-payable in two equal instalments 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 Mr. S. N. Menon be and is hereby appointed a Director of the Company with immediate effect.”

7. AS AN ORDINARY RESOLUTION

“RESOLVED THAT Mr. O. P. Vaish be and is hereby appointed a Director of the Company with immediate effect.”

8. AS AN ORDINARY RESOLUTION

“RESOLVED THAT Mr. C. K. Dhanuka be and is hereby appointed a Director of the Company with immediate effect.”

9. AS AN ORDINARY RESOLUTION

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and / or charging by the Board of Directors of the Company (“the Board”) of all the immovable and movable properties of the Company, wheresoever situate, present and future, in favour of :

- (a) Punjab & Sind Bank (PSB) for three term loans aggregating Rs. 250 crore;
- (b) State Bank of Patiala (SBP) for its term loan of Rs. 200 crore; and
- (c) State Bank of India (SBI), YES Bank Limited (YBL) and HDFC Bank Limited (HDFC) for their respective incremental share of Rs. 50 crore, Rs 30 crore and Rs. 39.89 crore in the working capital facilities extended to the Company by the consortium of Banks

to secure the said term loans and working capital facilities together with interests, charges, expenses, front-end fees and all other monies payable by the Company to PSB and SBP (collectively referred to as “the said lenders”) and SBI, YBL and HDFC (collectively referred to as “the said working capital bankers”) in terms of their respective Letters of Sanction, Loan Agreements, Facility Agreement, Hypothecation Agreements, Joint Consortium Agreements or any other Agreement or any amendment thereto entered / to be entered into by the Company with all or any of the said lenders and the said working capital bankers so that the mortgage and / or charge may be created by the Company 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 lenders and the said working capital bankers.

AND FURTHER THAT the Board be and is hereby authorised to finalise and execute with all or any of the said lenders and the said working capital bankers all such deeds and documents for creating the aforesaid mortgage and / or charge and to do all such acts, deeds and things as may be deemed necessary for giving effect to the aforesaid Resolution.”

10. AS A SPECIAL RESOLUTION

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by substituting the second sentence of Article 91 by the following new sentence :

“The Directors shall also be entitled to receive a commission (to be divided amongst them in such manner as they may from time to time determine and, in default of determination, equally) of three percent of the net profits of the Company computed in the manner referred to in sub-section (1) of Section 198 of the Act.”

11. AS A SPECIAL RESOLUTION

“RESOLVED THAT pursuant Section 310 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, consent of the Company be and is hereby accorded for payment of commission to the Directors of the Company other than the Managing Director or any Whole-time Director, at a rate not exceeding three percent per annum of the net profits of the Company computed in the manner laid down in Section 198(1) of the Act in respect of each of the years 2011-12 and 2012-13 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."

The Register of Members of the Company at Kolkata will remain closed from 13 July 2012 to 27 July 2012, both days inclusive.

Registered Office:
CESC House
Chowringhee Square
Kolkata – 700 001.
13 June, 2012

By Order of the Board

Subhasis Mitra
Vice President & 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 11 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 12 July, 2012.
4. Members holding shares in physical form may intimate the Company 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 2011-12 and send the filled in Form to the Secretarial Department of the Company latest by 12 July, 2012. 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 make 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, if the holding is in physical form. 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. P. K. KHAITAN, 71 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 dealing with corporate and other laws. He is a member of the Bar Council of India, the Bar Council of West Bengal, the Incorporated Law Society of India and the Indian Council of Arbitration and is connected with various educational institutions and social organizations. He is on the Board of Directors of CESC since 1992 and is a member of the Finance & Forex Committee and Project Committee.

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

He is a Director of Dhunseri Petrochem & Tea Limited, Saregama India Limited, Warren Tea Limited, Gillanders Arbuthnot & Co. Limited (also member of its Remuneration Committee and Shareholders and Investors' Grievance Committee), Graphite India Limited (also Chairman of its Remuneration Committee and member of Committee for Borrowings), Hindusthan Motors Limited (also member of its Executive Committee, Investors' Grievances Committee and Remuneration Committee), India Glycols Limited, TCPL Packaging Limited, Visa Steel Limited (also member of its Remuneration Committee, Finance & Banking Committee and Selection Committee), Pilani Investment & Industries Corporation

Limited (also member of its Audit Committee), Woodlands Multispeciality Hospital Limited and Egyptian Indian Polyester Company SAE.

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

MR. S. K. V. SRINIVASAN, 55 years of age, is a graduate in Engineering with professional qualification in finance (PGDBM) and Banking (CAIIB). In his present role as Executive Director, he is having business responsibilities for IDBI Bank Limited in Personal Banking & Priority Sector initiatives. Mr. Srinivasan has over three decades of Commercial banking experience covering Corporate, Retail and Transaction Banking and has led business strategies in various geographies across India.

He is a Director of PPN Power Generating Company Limited.

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

Mr. S. N. MENON, 65 years of age, is a retired IAS and has held several senior administrative positions in the State of West Bengal and also in the Central Government. The last position he held was that of the Secretary, Ministry of Commerce, Government of India.

Mr. Menon is the Chairman of Nicco Parks and Resorts Limited and Bengal Peerless Housing Development Company Limited (also member of its Managerial Remuneration Committee)

He is a Director of Fullerton India Credit Company Limited (also member of its Audit Committee and Remuneration & Nomination Committee). West Bengal State Electricity Distribution Company Limited (also member of its Audit Committee, Project Appraisal and Monitoring Committee and Contracts / Purchases & Procurement Committee). Tata Tayo Rolls Limited (also member of its Audit Committee and Remuneration Committee) Mcleod Russel India Limited (also member of its Audit Committee) Voltas Limited (also member of its Remuneration Committee) and Metrovalley Business Park Private Limited. He is also actively involved with several NGOs working for disabled people.

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

Mr. O. P. VAISH, 81 years of age, designated Senior Advocate, is the founder of the law firm – Vaish Associates. Earlier, he served in the Indian Revenue Service and later as Chief, Economics & Law, FICCI. Mr. Vaish is a National Executive Committee member of FICCI and ex-Officio member of ICC India. He is a member of the Board of Governors of International Management Institute and also the Chairman of its Audit Committee. He is the Past President of PHD Chamber of Commerce and Industry, was the Government Nominee on the Central Council of the Institute of Chartered Accountants of India and has been on the Committees for framing of the Competition Law and rewriting the Companies Act.

Mr. Vaish is a Director of Godfrey Phillips India Limited (also Chairman of its Audit Committee), Indo Rama Synthetics (India)

Limited (also member of its Audit Committee), International Travel House Limited (also Chairman of its Investment Services Committee and member of its Audit Committee and Remuneration Committee), PNB Finance & Industries Limited (also member of its Audit Committee), The India Thermit Corporation Limited, Ginni Filaments Limited (also member of its Disinvestment Committee) and Universal Trustees Private Limited.

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

Mr. C. K. DHANUKA, 58 years of age, is a graduate in Commerce and has over 33 years of experience in the industry. An industrialist by occupation, he is the ex-Chairman of FICCI (Eastern Regional Council) and is also a member of the National Committee of FICCI. Mr. Dhanuka was the Chairman of the Indian Tea Association and Vice-Chairman of the Tea Board. He was also the President of the All India Organisation of Employers.

Mr. Dhanuka is the Executive Chairman of Dhunseri Petrochem & Tea Limited and Managing Director of Dhunseri Investments Limited. He is also a Director of Naga Dhunseri Group Limited, Mint Investments Limited, Plenty Valley Intra Limited, Trimplex Investments Limited, Madhuting Tea Private Limited, Jatayu Estate Private Limited, ABC Tea Workers Welfare Services, Warren Tea Limited, Dhunseri Petrochem & Tea Pte. Limited and Egyptian Indian Polyester Co. SAE.

Mr. Dhanuka is an independent Director and 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- FOURTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 27 JULY, 2012

Item Nos. 6, 7 & 8

Mr. S. N. Menon, Mr. O.P. Vaish and Mr. C. K. Dhanuka were appointed as Additional Directors of the Company with effect from 7 September, 2011, 7 September, 2011 and 4 May, 2012 respectively 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.

Being Additional Directors, Mr. Menon, Mr. Vaish and Mr. Dhanuka hold office of Director up to the date of forthcoming Annual General Meeting as per the aforesaid provisions. The Company has received three Notices in writing from three Members along with the requisite deposit of money signifying their intentions to propose the candidatures of Mr. Menon, Mr. Vaish and Mr. Dhanuka for the office of Directors under the provisions of Section 257 of the Act.

The Board recommends the resolutions set out under Item Nos. 6, 7 and 8 of the Notice for approval of the Members.

Mr. Menon, Mr. Vaish and Mr. Dhanuka may be deemed to be concerned or interested in the respective resolutions in which

their appointments have been proposed. None of the other Directors of the Company has any concern or interest in the said Resolutions.

Item No. 9

In order to finance a part of its capital expenditure requirements, the Company has availed of financial assistance from Punjab and Sind Bank (PSB) for an aggregate amount of Rs. 250 crore and from State Bank of Patiala (SBP) for a sum of Rs. 200 crore (PSB and SBP are hereinafter collectively referred to as 'the said lenders').

In addition, three Banks have increased their working capital exposures to the Company as follows :

Name of the Bank	Incremental Amount
State Bank of India (SBI)	Rs. 50 crore
YES Bank Limited (YBL)	Rs. 30 crore
HDFC Bank Limited (HDFC)	Rs. 39.89 crore

(SBI, YBL and HDFC are hereinafter collectively referred to as 'the said working capital bankers').

The above loans and working capital facilities, as per their respective terms of sanctions, are required to be secured by mortgage / charge over the Company's immovable and movable properties in the form and manner required by the said lenders and the said working capital bankers.

The Ordinary Resolution set out under Item No. 9 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. 10

In terms of Article 91 of the Articles of Association of the Company, the Directors, not being the Managing Director or any Whole-time Director are, inter alia, entitled to, receive commission of one percent of the net profits of the Company computed in the manner referred to in sub-section (1) of Section 198 of the Companies Act, 1956 ("the Act").

The Resolution set out under Item No. 10 of the Notice is for altering Article 91 of the Articles of Association of the Company for payment of the aforesaid commission at the rate of three percent of the net profits of the Company to its Directors not being the Managing Director or any Whole-time Director.

The Board recommends that the aforesaid Resolution be passed.

Apart from Mr. S. Banerjee, Managing Director, other Directors of the Company may be deemed to be concerned or interested

in the aforesaid Resolution to the extent of the Commission that each of them may receive in future after the proposed alteration of the aforesaid Article.

A copy of the Articles of Association as in force will be available for inspection at the Registered office of the Company and also at the office of Computershare Services Plc., P.O. Box 82, The Pavillions, Bridgwater Road, Bristol BS99 7NH, U.K., 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 from 9.30 a.m. at the place and date of the meeting.

Item No. 11

In accordance with the approval accorded by the Members at the Thirtieth Annual General Meeting of the Company and pursuant to the approval of the Central Government, the Directors of the Company, other than the Managing Director or any Whole-time Director, are paid Commission commencing from the year 2008-09 at a rate not exceeding 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 Company, in the past few years, has diversified in geographies /new areas of power generation and has taken a number of initiatives for growth in its business across India. In view of the increasing operations of the Company and greater involvement of its Board of Directors ("the Board") in guiding the Company's complex business in a competitive environment, it is proposed, subject to necessary approvals, to increase the aforesaid commission payable to the Directors of the Company other than the Managing Director or Whole-time Directors to three percent of its net profits for each of the years 2011-12 and 2012-13, to 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. 11 of the Notice may be considered accordingly.

The Board recommends that the Resolution be passed.

Save and except Mr. S. Banerjee, Managing Director, other Directors may be deemed to be concerned or interested in the Resolution to the extent of the Commission that each of them may receive for the aforesaid two years.

Registered Office:
CESC House
Chowringhee Square
Kolkata – 700 001.
13 June, 2012

By Order of the Board

Subhasis Mitra
Vice President & Company Secretary

Dear Shareholder

2011-12 has been a significant year. 13 July 2011 saw the unveiling of our new corporate identity: the RP-Sanjiv Goenka Group. Covering 10 companies across five business verticals, the Group has an asset base of Rs.14,000 crore; Rs.9,000 crore in revenues; Rs.4,500 crore in market capitalisation; 100,000 shareholders; and 16,000 employees.

The business verticals under the Group are:

- **Power and Natural Resources.** This covers your Company, CESC Limited; Noida Power Company Limited and Integrated Coal Mining Limited.
- **Carbon Black** which involves Phillips Carbon Black Limited.
- **Retail.** This incorporates Spencer's Retail Limited; Music World Retail Limited; and Au Bon Pain Café India Limited.
- **Media and Entertainment.** This has Saregama India Limited and Open Media Network Limited.
- **Infrastructure,** which is represented by CESC Properties Limited.

The logo of this new group is derived from an arrow-head, which represents speed, focus and progressiveness. Six such arrow-heads converge to a common goal, which forms the 'Dhanuchakra' - or the logo identifying the Group.

Let me now move on to the performance of CESC, or your Company. A good place for a significant fiduciary to begin is the financials.

During 2011-12, total income from operations of CESC as a standalone entity rose by 12.6% to Rs.4,781.9 crore. Input prices increased considerably on account of coal costs. Despite that, earnings before interest, depreciation and taxes (EBIDTA) went up by 8.8% to Rs.1,258.6 crore. Profit before depreciation and taxation (PBDT) increased by 11.5% to Rs.982.8 crore. And your Company's profit after taxes (PAT) rose by 13.5% to Rs.554.3 crore. You will agree that these are creditable numbers.

I would now like to touch upon some key performance parameters.

- Generation from your Company's three units at Budge Budge, Southern and Titagarh increased by 3.6% in 2011-12 to 8,692 million units. During the year, CESC's composite plant load factor for the three plants was almost 88%, versus the national average of 73.3%.
- Several initiatives were taken to improve power distribution and ensure an almost zero load-shedding status for Kolkata. Some of these were: (i) increasing the capacities of existing substations; (ii) commissioning four new distribution stations; (iii) significantly increasing the network of underground cables across the licensed area and (iv) installing over 328,000 new meters-either as new connections or as replacements.
- In addition, your Company is executing some larger projects to upgrade its distribution network, such as (i) successfully commissioning a fourth transformer at its Eastern Metropolitan substation; (ii) setting up a new substation at Dum Dum and the Barrackpur Trunk Road and (iii) a receiving station at Rishra, which will allow CESC to import additional power and

further improve reliability and security of supply in the western part of the licensed area.

I am happy to inform you that the 2 x 300 MW coal fired thermal power project at Chandrapur in Maharashtra is on schedule. Construction work is in its advanced stages. The two units are expected to be commissioned in April 2013 and July 2013.

Equally, all requisite clearances-including the environmental ones-are in place for the 2 x 300 MW thermal power project at Haldia in West Bengal.

The Group has also moved on to renewables. In Kutch (Gujarat), it set up a 9 MW solar power project using photovoltaic technology. The plant was commissioned on 9 March 2012 and was dedicated to the nation on 19 April 2012 by the Hon'ble Chief Minister of Gujarat, Shri Narendra Modi. Another solar power project is on the anvil at Bikaner in Rajasthan.

Let me now move on to two concerns, and one potential opportunity.

The first concern is coal scarcity. This is a serious problem for coal fired thermal producers across India. At the end of February this year, more than 30 power plants had coal stock of less than a week and some 25 or so of less than five days. The domestic coal deficit was only partially met by using imported coal. As it stands, it seems unlikely that domestic coal output will meet the power demand in the Twelfth Five Year Plan (2012-17). Consequently, many fuel supply agreements may not deliver the coal these promise.

Your Company has attempted to deal with this crisis by locking in imported coal. Thanks to the Group's owning over 11% equity ownership of coal mining assets in South Africa, as well as executing long term supply agreements, your Company should have access to sufficient imported coal over the foreseeable future. The first delivery of such coal is expected in 2014.

The second concern is the pricing of power. As coal costs rise, so too will be the pressure on pricing. Against this will be the concerns of state governments and state electricity boards - which will try to politically resist such pass-through whenever it can. Generation-cum-distribution companies such as yours will have to do a tight balancing act between the needs of the state governments on the one hand and shareholder value on the other. Such tight rope walking may increase in the medium term.

Now to the potential opportunity. I am often asked the following question: "Given CESC's century-long experience in power distribution, why aren't you considering more such plays in different geographies across India?" My answer is this: "Yes. We have the capabilities and the competencies. And we are always exploring for the 'right' territories, provided these come with the 'right' conditions and at the 'right' prices."

I want to end this letter with a request. Please wish the RP-Sanjiv Goenka Group all the success. We need your support and good wishes. This Group, built on a legacy of over a century, has more to deliver. To everyone.

With best regards,



S. Goenka
Vice-Chairman

13 June 2012

Directors' Report



The Directors have pleasure in presenting the Annual Report and Audited Accounts of CESC Limited for the year ended 31 March 2012.

Financial Results		<i>(Rs. crore)</i>	
Particulars	2011-12	2010-11	
Revenue from operations	4680.54	4172.54	
Other Income	101.31	74.11	
Total Income	4781.85	4246.65	
Profit Before Depreciation & Taxation	982.79	881.62	
Depreciation	(289.48)	(267.37)	
Taxation	(139.00)	(125.85)	
Profit before transfer to Reserves	554.31	488.40	
Profit brought forward from previous year	190.41	133.56	
Reserve for unforeseen exigencies	(28.10)	(23.47)	
General Reserve	(400.00)	(350.00)	
Proposed Dividend @ Rs. 5 per			
Equity Share & tax thereon	(72.60)	(58.08)	
Leaving a balance carried forward	244.02	190.41	

Performance Overview

During the year under review, the Company's revenue from operations increased by 12.17% over last year to reach Rs.4680.54 crore. Including other income, total income grew by 12.60% from Rs.4246.65 crore in 2010-11 to Rs.4781.85 crore in 2011-12. Profit before depreciation and taxation (PBDT) grew by 11.48% to Rs. 982.79 crore during the year. After providing for depreciation of Rs.289.48 crore and taxation of Rs.139.00 crore, the profit after taxes (PAT) for 2011-12 stands at Rs.554.31 crore, which reflects a 13.50% increase over Rs. 488.40 crore during 2010-11.

A detailed review of the operations for the year ended 31 March 2012 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 2012 at the rate of Rs. 5 per share on the paid-up equity share capital as on that date (Rs. 4 per share in 2010-11). 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 12 July, 2012. No tax on the said dividend will be payable by the shareholders - as required, the Company will pay appropriate tax thereon.

Subsidiaries

As on 31 March 2012, 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. Since close of the year, the Company has acquired Pachi Hydro Power Projects Limited and Papu Hydropower Projects Limited as its subsidiaries.

The 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 2011-12 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 2011-12 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, from now on, 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, Chandrapur and Bhagalpur, wind power project at Rajasthan and hydro electric projects at Arunachal Pradesh.

Details of 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 demise of Mr. B. P Bajoria, a Director of the Company since 1995, who passed away on 20 February 2012. Mr Bajoria had a long association with the Company spanning over a period of almost 17 years. The Board has placed on record its appreciation for the valuable contribution made by Mr. Bajoria to the Company.

The Board appointed Mr. S. N. Menon and Mr. O. P. Vaish as Directors of the Company with effect from 7 September 2011. Since the close of the year, Mr. C. K. Dhanuka has been appointed as a Director with effect from 4 May 2012. Being Additional Directors, Mr. Menon, Mr. Vaish and Mr. Dhanuka retire at the forthcoming Annual General Meeting. Notices have been received from three Members signifying their intentions to propose Mr. Menon, Mr. Vaish and Mr. Dhanuka as Directors of the Company at the said Annual General Meeting.

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

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

Listing

The equity shares of the Company continue to be listed at the Bombay Stock Exchange (BSE), the National Stock Exchange (NSE), the Calcutta Stock Exchange (CSE) and the London Stock Exchange.

The Company has paid the requisite listing fee to the Stock Exchanges up to the financial year 2012-13.

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 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 of the profit for the period 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.

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 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. 270 deposits aggregating Rs. 0.51 crore remained unclaimed as on 31 March 2012.

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 during the year under review had been 27 September, 2011 and 13 September, 2011 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)(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 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



S. Goenka
Vice-Chairman

Kolkata, 13 June 2012

CESC Limited ('CESC' or 'the Company'), is the flagship company of the newly formed RP-Sanjiv Goenka Group (the 'Group'). Formed in 2011-12, the Group has a combined asset base of Rs.14,000 crore and over 16,000 employees. It operates in five key sectors: power and natural resources, carbon black, retail, media and entertainment, and infrastructure.

CESC, registered in 1897, 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 2.6 million customers-both consumer households and commercial establishments. Apart from spearheading the Group's interest in the power sector, the Company, through its subsidiaries, is also active in the organised retail 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 during the year to achieve its growth and performance objectives.

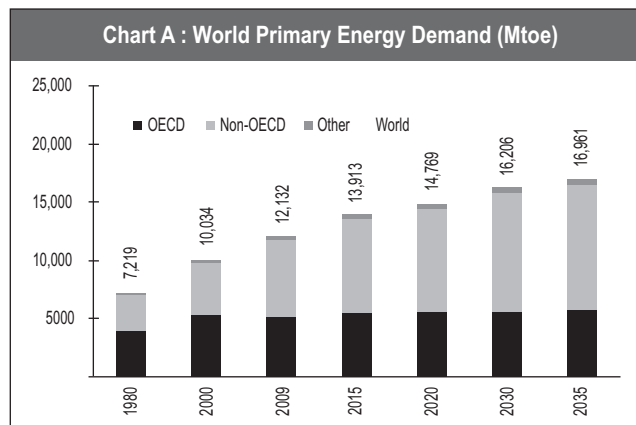
ECONOMIC OVERVIEW

Global Energy Outlook

The world energy scenario witnessed significant changes during 2011, some of which can have long-term and structural implications. First, after the incident in Fukushima, Japan, nuclear fuel as a source of energy faces considerable uncertainty. Second, geopolitical tensions in Middle East and North Africa have increased the risks of disruption of oil supplies and prices in the short- to medium-term, and raised questions about the region's investment plan. Third, economic concerns have diverted attention from energy policy: carbon dioxide emissions rebounded to a record high and global energy efficiency worsened for the second consecutive year.

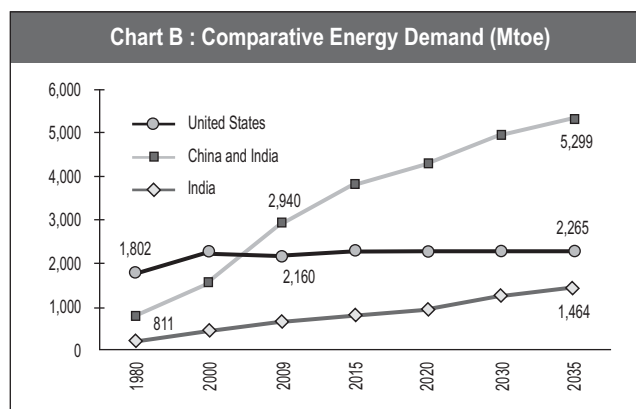
What has not changed, however, is that emerging economies continue to drive the global demand for energy. According to the World Energy Outlook 2011, world primary energy demand under the 'New Policies Scenario'¹ will grow by around 4,829 million tonnes of oil equivalent (Mtoe) between 2009 and 2035-a CAGR of 1.3% (Chart A). As expected, the demand in non-OECD countries will grow much faster, and will account for 88% of this increase in energy demand.

¹The 'New Policies Scenario' estimates take into account broad policy commitments and plans that have been announced by countries around the world to cut down on emissions, even if they are yet to be formally adopted and implemented.



Source: New Policies, World Energy Outlook 2011, IEA

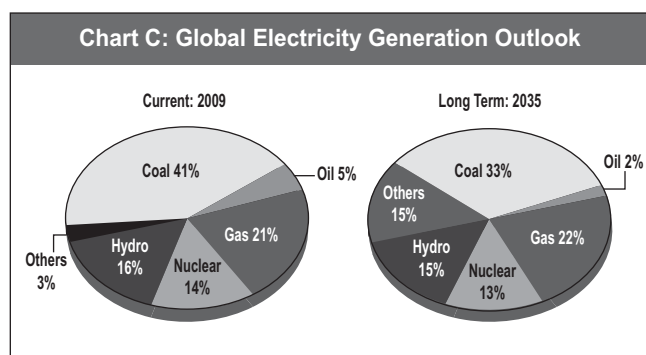
More important, as much as 50% of this increase will come from China and India, which along with the United States, are the top three consumers of energy in the world. Energy demand from China and India is expected to surge during this period to 5,299 Mtoe (Chart B) and they will account for almost half the incremental energy demand between now and 2035. As a result, by 2035, these two countries will account for 31% of global energy demand, up from 15.6% in 2000.



Source: New Policies Scenario, World Energy Outlook 2011, IEA

Fossil fuels-coal, oil and gas-are the dominant source of energy, meeting around 81% of energy demand. This will continue, even as their share in the energy mix is expected to come down to 75% by 2035. In any case, most of this shift is only expected to take place from around 2020.

The situation of the power sector, which accounts for 54% of the increase in global primary energy demand, is not much different. Coal remains the leading fuel for generating electricity, accounting for over 40% of total power generation, followed by gas, nuclear and hydro. Capacity addition of 4,081 GW in the power sector is projected between 2009 and 2035. 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.



Source: *New Policies Scenario, World Energy Outlook 2011, IEA*

Not surprisingly, therefore, international coal markets and prices have become increasingly sensitive to developments in China and India-where the reliance on coal for their energy requirement is higher. Their combined share in global coal trade is projected to increase from around 20% in 2009 to around 40% in 2035. In an important development, India is expected to surpass China as the largest coal importer soon after 2020² given its increasing reliance on coal and poor domestic availability.

India's Power Scenario

The dynamics of the Indian power sector saw important shifts during 2011-12. The positive development was that it met the generation capacity targets for the year-adding 19.7 GW against a target of 17.7 GW-and, perhaps for the first time, also the transmission and distribution targets. But, on the flipside, this created significant shortage of coal, which is the dominant source of fuel for the sector and accounts for 56% share of the total generation capacity (see Table 1).

Table 1: Power Generation Capacity in India: 2011-12 By Fuel Source

Fuel	MW	% Share	Growth (%)
Coal	112,022	56.0%	19.3%
Gas	18,381	9.2%	3.8%
Dies	1,200	0.6%	0.0%
Thermal	131,603	65.8%	16.6%
Nuclear	4,780	2.4%	0.0%
Hydro	38,990	19.5%	3.8%
Others	24,503	12.3%	32.8%
Total	199,876	100.0%	15.1%

Source: *Central Electricity Authority*

With domestic coal availability virtually stagnant at around 440 million tonnes, imports met a majority of this increase in demand and now account for 15% of the total requirement in terms of volume and 18% in terms of energy³. 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.

The immediate challenge facing the industry is the poor availability of coal and its high international price. But, the shortfall in generation and transmission capacities is far from over. During 2011-12, the all-India peak demand for power was 130 GW of power, whereas the actual power met was 116 GW – a shortfall of 10.6% (see Table 2). The southern and western regions were the worst affected in terms of power availability

Table 2: Power Demand and Deficit: 2011-12

Region	Peak Demand (MW)	Peak Met (MW)	Deficit (MW)	Deficit %
Northern	40,248	37,117	-3,131	-7.8
Western	42,352	36,509	-5,843	-13.8
Southern	37,599	32,188	-5,411	-14.4
Eastern	14,707	13,999	-708	-4.8
North-Eastern	1,920	1,782	-138	-7.2
All India	130,006	116,191	-13,815	-10.6

Source: *Central Electricity Authority*

By 2016-17, demand for power is expected to increase to 1,200 billion units-up from 937 billion units in 2011-12⁴. This translates to a grid supply of 1,350 billion units, if one takes into account curtailing energy inefficient capacities based on diesel and fuel oil. The Approach Paper for the Twelfth Five Year Plan (2012-2017) estimates an additional capacity requirement of 100 GW, around 50% of which is expected to come from the private sector -up from 33% in the last five years. This will need to be complemented with adequate transmission capacities.

There is little doubt that power sector in India needs to grow at a much higher pace in the next few years. For this to continue, there is an urgent need to address the challenges facing the sector-be it availability of coal and gas or mounting losses of distribution utilities, which have their 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 2.6 million customers

² Source: *World Economic Outlook, 2011*

³ Source: *"Indian power sector at the crossroads", CRISIL*

⁴ Source: *Approach for the Twelfth Five Year Plan (2012-2017), October 2011*

across its licensed areas in Kolkata and Howrah, West Bengal. The Company and its subsidiaries are aggressively 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 based thermal plants. This will add over 7000 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 renewable 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.

In this context, key developments during the year are provided in the section on 'New Projects and Initiatives'.⁵

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 400 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 efforts have been complemented with the implementation of best-in-class IT solutions and CRM processes, to align all activities to benefit the end-user. Box 1 provides the details.

Box 1: How CESC Achieved a Load Shedding Free Kolkata

The Challenge

CESC took up the challenge to strive for a load shedding free Kolkata. The objective was to not only to ensure that there was no shortfall in power supply, but to ramp up the distribution network to ensure lowest possible disruption of services.

Key Elements

1. **Generation Capacity and Demand-Supply Management:** With commissioning of the third unit (250 MW) at the Budge Budge Generating Station, CESC's generating capacity increased by about 20% to 1,225 MW in 2009. Active support from WBSEDCL was also obtained to meet the rising demand.
2. **Distribution Infrastructure and Processes:** Multi-pronged initiatives were systematically carried out to reduce interruptions in supply due to breakdowns:
 - Preventive Module - to ramp up capabilities to take preventive actions and reduce break-downs and interruptions. Involved identifying deficiencies, prioritising and addressing them in well planned phases. This included introduction of Gas Insulated Substations.
 - Strategic Redundancy Module - to create redundancies in the system and enable continuous monitoring. Involved adding extra capacities to equipment and distribution network and installing Supervisory Control and Data Acquisition System (SCADA) and Automated Meter Reading (AMR) facilities at distribution transformers for continuous monitoring of load on a real-time basis.
 - Restoration Module - to restore supply in the quickest possible time. Involved widespread implementation of technology such as state-of-the-art gas filled Ring Main Units that enables identification of fault and increasing the number of distribution pillar boxes to minimise the consumers affected due to faults.
 - Maintenance Module - to consolidate and improve the gains made. Involved complete change in maintenance philosophy from periodic to continuous assessment of health of equipment; and regular maintenance of the overhead network across the licensed area.
 - Organisation and Process Module - to create a culture of continuous improvement and raise the overall customer satisfaction. Involved creation of response teams and a CRM cell for better management of outages; better customer services; and better HR processes and improved quality management systems.

Key Results

CESC has been successful in achieving its target and has emerged as one of the best power utilities in India. By the end of 2011-12, there was no load shedding in Kolkata for want of supply. With significant improvements in the distribution infrastructure, there was a negligible average interruption of 2 minutes per day during the year. The fact that peak demand in May 2012 was around 40% greater than 2006-07 makes it even more creditable. Between 2007-08 and 2011-12:

- High and low tension faults were down by 47% and 29%, respectively.
- Restoration time for high and low tension faults came down by 61% and 40%, respectively.
- Failure of distribution transformer was less than 1% as compared to national average of over 10%.

⁵ Developments pertaining to a subsidiary of the Company or a Group entity have been explicitly attributed to the specific entity for greater clarity.

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 has been consistently better than the all-India average for thermal plants. During the year, CESC's composite PLF of the three PF plants was 87.96%, as compared to the national average of 73.3%.

To achieve this, the Company has taken various steps such as full utilisation of designed limit, benchmarking with best-class power plants, integrated operation and maintenance planning and exploring the fullest export opportunity. Export of power, after meeting consumers demand, however, is totally dependent on the commercial viability of selling power.

Budge Budge

Budge Budge is CESC's newest power generation plant, which comprises three units of 250 MW each. The first two units are little over a decade old and the third unit started commercial operations from February 2010. During 2011-12, Budge Budge generated 5,940 MU (million units) of power, with a PLF of 90.16%. This represents an increase in generation by 501 MU, which is a more than 9% increase compared to the previous year. The plant availability factor (PAF) achieved in this year was 95.21%, which is 3% higher than a year ago.

Titagarh

CESC's Titagarh station generated 1,716 MU of power during the year, with a PLF of 81.38% and a PAF of 96.15%. The station could generate these efficiencies in spite of its age (29 years) which bears ample testimony to the continuous and rigorous maintenance programmes that CESC conducts.

Southern

Southern generated 1,036 MU of power during the year, with a PLF of 87.40% and a PAF of 95.38%. Various energy savings initiatives, energy audits, in-house refurbishment/renewal of major energy consuming equipment, adopting industry best practices and other similar measures are being undertaken at Southern.

New Cossipore

The Company's generating station at New Cossipore was established way back in 1949. Yet, the sixty two years old station generated 363 MU of power with a PAF of 82.9% during the year, thus extending reliable support to the system during peak hours.

Improvement of Availability

During the year, the combined generation for the PF stations was 8,692 MU. This represents an increase of almost 300 MU, or 3.5% over last year. The overall combined availability of the PF stations was 95.4%, which is almost two percentage points higher than last year. The entire maintenance planning has been structured: (a) to reduce forced outages; and (b) to reduce the capital overhauling time.

To reduce forced outages, CESC has adopted a number of measures. This includes detailed failure analysis of each failure, taking appropriate corrective actions or process modification to eliminate such failure, mean time before failure (MTBF) analysis and benchmarking, time bound action plan, periodic inspection schedules for all units and 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 satisfactory figures for auxiliary consumption and heat rate. To achieve this, CESC regularly undertakes technical enhancements, following best practices and implementing recommendations of external energy auditors.

During 2011-12, several energy conservation measures were taken 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 is being undertaken in a phased manner. Significant energy savings have already been achieved from the activities completed during the year.
- Thermographic study of drains/pipelines of boilers and turbines; and checking of boiler feed pump recirculation was carried out at Titagarh and New Cossipore. Subsequently, rectification activities were carried out.
- Installation of variable-voltage, variable-frequency (VVVF) controls for ID fans was carried out 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, which was initiated in the previous year to inculcate a culture of continuous improvement among employees. In 2011-12, 144

improvement projects were implemented under the initiative, out of which 19 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 Conservation

At CESC, protection of environment is an integral part of the power business. The Company has laid out an 'Environment Policy' that clearly states its commitment towards well being of the living, preservation of non-living and protection of the environment in which it operates.

Apart from ensuring compliance with all applicable legal and regulatory requirements, the Company 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 62 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.

Ash is another area of environmental concern, more so because of high ash content in Indian coal. Since 2000, CESC has achieved 100% utilization of ash in an environment friendly manner. The ash is mainly utilized for manufacturing Portland Pozzolana Cement (PPC), fly ash bricks, blocks and similar products. It is also exported to Bangladesh for utilisation in the cement industry in covered barges. In a recent development, new roads and highways built in and around Kolkata have utilised large quantities of the Company's ash.

During this year, CESC engaged with an industrial group for erection of a mechanised plant for manufacturing of autoclaved aerated concrete blocks, slabs, panels and bricks, which will utilise the ash generated by the new unit at Budge Budge. This project would also create employment and business opportunities for the local community. Commissioning of the plant is currently in progress.

At the generating stations, energy conservation projects are implemented regularly 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. During the year, Budge Budge generating station received 'Best Environmental Practices' Award from CII. It also received an award for its good environmental management efforts from CEA and 'Good Green Governance' award from Srishti Publications. Other activities in the area of environment have been discussed in the section on Corporate Social Responsibility (CSR).

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.

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.

Ensuring occupational health is also a high priority area for CESC's operations. As part of the occupational health initiatives, immunisation programmes and routine blood tests are carried out for all employees; and special tests such as for vertigo, eyesight and colour vision, audiometry and pulmonary function are done for people working in specific jobs. Training on occupational health, cardio pulmonary resuscitation and first-aid are also imparted to the employees from time to time.

Distribution

CESC's customer profile reflects a growing system demand, and a need for consistently high quality supply with the increase of customers in the High Tension and Medium Voltage Alternating Current (MVAC) segments. Coupled with the need to replace plant and equipment of older vintage, these factors have necessitated a number of new investments during the year to strengthen the distribution network. These have been made with the objectives of providing new connections, enhancing the quality and security of supply, reducing downtime and overloads and bringing down ATC losses.

The significant projects are listed below:

- The plant capacity at East Calcutta and Jadavpur sub-stations was augmented by replacing the existing 55 MVA 132/33 kV transformers with better 75 MVA units.
- Four new distribution stations were commissioned and the plant capacities at three others were increased. This added transformer capacity by 95.5 MVA in the 33 kV distribution network. A further 126 MVA transformer capacity has been added to the Low Tension (LT) distribution network by commissioning 355 new MVAC sources and capacity increases in existing sources.
- To meet the load growth in the system, the network of underground cables across the licensed area was increased: by 0.2 ckm (circuit kilometres) at 220kV; by 11.7 ckm at 132 kV; by 44.69 ckm at 33 kV; and by 385.3 ckm at 11/6 kV. Simultaneously, the MVAC distribution network was also extended by 410.8 ckm - comprising underground and overhead lines.
- In the 11/6 kV network, substantial work was done. Some of the old 11/6 kV cables were replaced by new cross-linked polyethylene (XLPE) cables. 586 Gas Insulated Ring Main Units were installed, along with new switchgear. Existing switchboards were also extended along with replacement of old circuit breakers at different voltage levels.
- To relieve loading on the network and enhance the voltage profile, 50 Mega Volt Ampere Reactive (MVAR) power capacitors at 132kV level, 45 MVAR power capacitors at 33 kV level and 4 MVAR power capacitors at 11/6 kV level have been installed.
- To enhance efficiency at the point of delivery to the customer, a total of 328,561 meters were installed, either as new connections or as replacements; moreover, 18,160 house service connections were also installed to take care of new supplies and additional loads.

Apart from these, CESC is also in the process of carrying out some larger projects to upgrade its distribution network. Some of these are as follows:

- **Fourth transformer at Eastern Metropolitan Substation:** In line with what was presented in our previous annual report, this 160MVA, 220/132/33kV transformer was successfully commissioned in 2011-12. Apart from this, the network augmentation and reorganization for connectivity to other load centre sub-stations from the Eastern Metropolitan substation to enhance reliability and facilitate additional power flow are progressing according to the planned schedule.

- **New Substation at Dum Dum:** This project is being carried out to enhance the network and improve the reliability of supply. Laying of underground cable of 10 ckm at 132kV from the BT Road substation to the Dum Dum substation was completed during the year.
- **Substation at BT Road:** The first transformer has already been commissioned. The second phase of installation of 33kV GIS along with a 75 MVA 132/33kV transformer is progressing as per schedule, and is expected to be commissioned in early 2012-13.
- **Receiving Station for connecting WBSETCL Rishra Substation:** This will allow CESC to import additional power and further improve reliability and security of supply in western part of the licensed area. The first phase was commissioned during the year. This includes 132 kV and 33kV GIS and one 75MVA 132/33kV transformer along with laying of 6.4 ckm of underground cable at 132kV. The second phase — comprising one 75MVA 132/33kV transformer — is scheduled to be commissioned in early 2012-13.

During the year, CESC implemented a software called DPMS (Distribution Project Management System) that was developed in-house. This will facilitate better monitoring of Distribution project activities for their timely procurement, execution and commissioning.

In 2009-10, the Company had engaged Singapore Power, one of the world's best power utilities, to help in implementing best-in-class maintenance practices for its distribution assets and prepare a ten-year strategic plan (up to 2020-21). During the year, this plan was reviewed internally to take into account the actual demand growth in 2011-12.

Energy Conservation

Energy conservation and reduction of losses in the distribution network is a key area of focus for all power utilities. During 2011-12, a number of measures were adopted that contributed to the ongoing efforts to reduce ATC losses and increase energy conservation. Apart from the benefits from continuous upgrading of the Distribution infrastructure discussed in the previous section, other initiatives include: 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 safety and operational efficiencies.

Box 2: Light From Sun, Even After Sunset

CESC undertook installation of solar power at the East Calcutta 132 kV substation. The project was conceived in line with the 'Go Green' journey of the Company. The energy, trapped from the solar photovoltaic system, is being utilised for consumption for illumination of the station, saving part of the conventional energy requirement of the substation. The power available from the solar photovoltaic arrays, supported by a battery bank, will also act as back up during any failure of station's LT power supply. The entire fleet of luminaires comprising CFLs of 23W can operate for more than 5 hours by utilising the power generated from the solar panel. This is the first case of power being generated by the distribution wing of CESC.

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 helped CESC to mitigate damage, significantly reduce downtime and improve reliability of the system network. Condition monitoring is being carried out with latest technology-based instruments for measurement of partial discharge, transient earth voltage, ultra-sonic signal detection, infra-red thermo-graphic scanners, application of sweep frequency response analysis and use of shock detection analyser during transport of large transformers.

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.

During the year, CESC moved ahead with the implementation of SCADA (Supervisory Control and Data Acquisition), which is essentially an IT based system to monitor and control its distribution infrastructure and processes from remote locations. Remote terminal units (RTU) were installed at 30 distribution stations (33/11-6 kV) and are being integrated with two regional control centres (RCC) and a master control centre (MCC) for real time monitoring and control. Installation and commissioning of RTUs at the remaining distribution stations is planned in the coming years.

CESC took a step towards 'Smart Grid' with the implementation of distribution automation on a model 6kV network with remote operation facility of SF₆ RMUs for the supply at Writer's Building, the seat of the Government of West Bengal. This will permit real time monitoring of the network with enhanced reliability, security and provide faster restoration of supply in the event of a breakdown. In another important development, CESC has secured funding from US Trade and Development Agency (USTDA) to carry out a feasibility study for Smart Grid Pilot Projects which would help to take its initiatives in this area to the next level.

Customer Service

As a utility company that services over 2.6 million customers, establishing and maintaining high levels of customer service is the overarching objective of CESC. Over the years, the Company has put in place systems and procedures to increase efficiency and enhance customer satisfaction.

During the year, CESC added around 1 lakh customers. More importantly, with continuous efforts and deployment of technology solutions, the average time taken to provide a new connection came down from 28 days to 18 days. In spite of a significant increase in peak demand to over 1,900 MW, the Company was able to maintain its high standards of the availability and reliability of power. Details can be seen in Box 1.

CESC introduced a centralised 24x7 call centre as the customer touch point for complaints and queries. This has revolutionised the outage management system with several value added services for the customers such as web and SMS, call docketing and a unique telephone number across the licensed area. The system is integrated with the Company's distribution infrastructure and allows immediate routing of complaints to the nearest service team - enabling prompt and effective attention. The service grew in popularity with an average call response time of 5 seconds. With stabilisation of processes, there has been considerable increase in efficiencies of the call centre, resulting in call completion times coming down from 3 minutes to around 2 minutes.

Apart from voice based contact, the Company also has a fully functional online portal for its customers. This system is linked to the Company's core IT system, and the customers apart from viewing their billing and related information, can also make online payments from the comfort of their homes. The service has received very good response from the customers. With increase in the penetration of digital payment instruments, the Company expects further increase in the adoption and use of its online services. The website was also upgraded during the year.

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

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% subsidiary of CESC Infrastructure Limited. All requisite clearances, including environmental clearances for the project are in place.

During the year, site enabling work was completed and orders for all major packages were placed. The contractors have been mobilised at the site, and civil construction work is currently in

progress. Order for the railway infrastructure and raw water pipe lines have also been placed and work is in progress. Work on the 400kV transmission line, which will have 240 metre high towers for crossing a two-kilometre stretch of the river Hooghly, has also commenced.

Chandrapur, Maharashtra: This is a 2 x 300 MW coal fired thermal power project at 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 the main plant, boiler drainable hydro tests are planned to be done in June 2012. For power evacuation, the work on a 400 kV transmission line is also nearly complete, and the task of establishing connectivity with Maharashtra State Electricity Transmission Company Limited (MSETCL) is in progress. The construction of the railway line as well as associated yards is also in the advanced stages. Water for the project will be sourced from the river Wardha, for which the intake well and 17 kilometres of pipeline work is complete. The two units, 'Unit 1' and 'Unit 2' are expected to be commissioned in April 2013 and July 2013 respectively.

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. The pre-feasibility report has been completed and the project has received Prior Environmental Clearance from Ministry of Environment and Forests, and approval for use of consumptive water from the river Ganga from both State Water Resources Department and Central Water Commission. The project has also been pre-qualified and included by CEA in the list for sanctions of long term coal linkage by Ministry of Coal. Further progress will be taken up upon allocation of coal and securing sources of 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. During the year, the Company acquired additional land at Dhenkanal in Orissa to take the total to around 900 acres. Most of the statutory clearances have already been obtained and the project is waiting for coal linkage to be granted by Ministry of Coal, Government of India.

SOLAR

Kutch, Gujarat: This is a 9 MW solar power project that was allocated to ICML, a Group company, in October 2010 by Government of Gujarat in accordance with the State Solar Power Policy. The plant is based on the most advanced and proven photovoltaic (PV) technology incorporating a combination of crystalline-silicon and thin-film solar modules.

The plant was commissioned on 9 March 2012 and marks RP-Sanjiv Goenka Group's foray into the renewable energy space. It was dedicated to the nation on 19 April 2012 by the Hon'ble Chief Minister of Gujarat at a function held at Charanka Solar Park, close to the plant site. The power generated from the project

is being purchased by Gujarat Urja Vikas Nigam Limited through a 25 year power purchase agreement.

Bikaner, Rajasthan: Crescent Power Limited, a Group company, is setting up a 10 MW Solar PV based power project in the district of Bikaner in Rajasthan. Around 125 acres of land have been acquired for this purpose. The project is being set up under the Rajasthan Solar Energy Policy 2011 for supply of power to the distribution licensees in the state of Rajasthan. On behalf of power distribution companies in Rajasthan, Rajasthan Renewable Energy Corporation Limited, which is the nodal agency, will select the solar power producer through a tariff based competitive bidding process. The 'Request for Selection' process for the same is underway.

HYDRO

Jarong, Arunachal Pradesh: CESC signed a memorandum with the Government of Arunachal Pradesh for developing a 90 MW Jarong Hydro-Electric Project in West Siang District of Arunachal Pradesh. The Jarong Hydro-Electric Power Company Limited, a SPV has been incorporated for development of the project.

Topographical survey and surface geological mapping for the project was completed during the year, and a detailed project report is being prepared. The Hydrology part of the project report has been submitted to CEA and CWC for their approval. The Company has engaged a consultant for the environmental studies and an application for first stage environmental clearance has been submitted to Ministry of Environment and Forest. Financial closure for the project is expected in 2013-14 after receiving approvals on the final project report and environmental clearances, including acquisition of land and diversion of forest area.

Other Developments: The Company's efforts to develop hydro-electric power projects have been further strengthened since the close of the year. In May 2012, the Company acquired Pachi Hydro Power Projects Limited and Papu Hydropower Projects Limited in Arunachal Pradesh, with an aggregate capacity of 146 MW. These companies are currently subsidiaries of CESC.

COAL SOURCING

As thermal power plants continue to meet the country's energy requirements, CESC is conscious that securing supplies of coal over the life of its thermal plants is important for success. The Company actively explores opportunities to secure its future requirements of coal through assured domestic linkages, long term contracts and acquisition of coal assets in India and abroad.

In June 2011, Bantal Singapore Pte Limited, a wholly owned subsidiary of CESC, subscribed to 4.8% of the issued share capital of Resource Generation Limited (RGL), which owns coal mining assets in South Africa. This has increased the Group holding in RGL to 11.6%. Subsequent to this, ICML, another Group company entered into a long term coal supply agreement with RGL to secure coal for the Group's on-going and expansion projects and meet the requirements for its future growth plans. As a result, the Group will have access to 139 million tonnes of

coal from RGL over the 38 year tenure of the contract, which will end in 2051. Mine development and related works are progressing as per schedule.

Besides, CESC holds 50% of the paid up share capital of Mahuagarhi Coal Company Private Limited, a joint venture company, which is developing Mahuagarhi block in the state of Jharkhand allocated to CESC and its joint venture partner on equal sharing basis. Coal to be mined for the block will be used for the Group's proposed power project in Jharkhand.

OTHER BUSINESSES

Retail

CESC's following subsidiaries operate in the organised retail sector.

- Spencer's Retail Limited (SRL), is the flagship company of CESC in the sector with 164 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.
- Music World Retail Limited is a wholly owned subsidiary of SRL, catering to the music and movies experience. 39 stores across India under the label 'Music World' sell all genres of musical albums, movies and related products. During the year, a scheme of amalgamation of the company with effect from 1 January 2012 with its holding company i.e. Spencer's Retail Limited has been filed with the Hon'ble High Court at Calcutta, which is pending approval.
- 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 2011-12, ABPCIL opened 13 new cafés across three trade channels - high street/shopping malls, business and industry locations, and hospital premises. With these, the number of cafés that were in operation at the end of the year increased to 23.

Real Estate

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

Metromark Green Commodities Private Limited, a wholly owned subsidiary of CESC Properties Limited, 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.

HUMAN RESOURCES

CESC's HR policy continues to focus on achieving business goals by enhancing capability of its human resources. The Company's HR strategy is aligned to business processes and corporate objectives and at the same time focused on individual career development and growth aspirations.

CESC's emphasis on building a quality team is reflected in its practice of recruiting talented young graduates from the best engineering and management institutes. It has a comprehensive recruitment and selection process to ensure right skills and competencies of the new recruits. The Company has built a strong relationship with major campuses, where it is considered a 'Preferred Employer'.

The Company invests significant resources in employee training and development. New recruits and trainees undergo a rigorous induction. At the same time, the knowledge and developmental needs of current employees are identified and addressed through structured analysis and training programmes drawn at the start of the year.

During the year, CESC responded to multi-skilling and capability building needs of its people through customised curriculum based programmes conducted in joint collaboration with IIT Kharagpur, IIM Calcutta and XLRI Jamshedpur. Over a period of time, the Company has also institutionalised programmes to develop a talented pool of executives such as Young Executive Board, One-to-One Coaching and Outbound Learning Programmes.

CESC strives to create a productive and learning environment by implementing robust and comprehensive HR processes. In this, it is implementing Oracle HRMS to streamline routine transactions and make information available for faster and quality decision making. During the year, it also organised Knowledge Carnival, a unique initiative fostering a culture of creativity and innovation within the Company.

In an important development, CESC established Asia Institute of Power Management, which has a programme level collaboration with SP Global Solutions - a member of Singapore Power Group - to promote training and development of professionals in the power sector.

The compensation and reward structure at CESC is geared to reflect the performance of employees. For its non-covenanted employees, the Company has executed a Memorandum of Understanding with the employees' union, which covers all parameters of employee remuneration. Compensation and rewards for executives are determined through a structured performance management system (PMS). To align the PMS to corporate objectives and goals, a 'Balanced Scorecard' model has been adopted for the middle and senior management and 'Key Result Areas' model for executives. To enhance the transparency and credibility of this process, an online PMS, which was developed in-house, was introduced during the year. As a result, the performance objectives and appraisal scores for all executives are now available online.

The leadership team remains actively involved in building people capability at various levels including leading cross-functional teams, which have been formed to drive the change management process. These teams deal with issues like customer centricity, talent management, communication strategy, CSR, organisational excellence and PMS.

Such people development initiatives have resulted in a significant reduction of the executive attrition rate to 3.9% per annum.

As on 31st March 2012, CESC had a workforce of 10,340 people on its rolls. The Company's industrial relations environment has remained cordial and congenial during the year, with no major incident of service interruption due to industrial relations issues.

INFORMATION TECHNOLOGY

At CESC, Information Technology (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. This can be broadly grouped under three major sub-systems:

- a. A centralised high availability and high performance computing environment from where all 'mission critical' applications of the Company would be running;
- b. CESCNET, a city wide high-speed optical fibre communication infrastructure which serves as the 'digital nervous system' and communications backbone of IT operations within the organisation; and
- c. Standardised hardware and Software stack of all End-User systems that are connected to the CESCNET highway.

During 2011-12, the IT department carried out several consolidation activities aimed at: (a) providing a resilient and reliable IT infrastructure to the Company to conduct its business, and (b) optimise the usage of its IT assets to deliver more value to the organisation.

CESC has commissioned a state-of-the-art data centre for its IT applications. This is equipped with facilities like multiple redundant power sources, advanced fire detection and suppression system, temperature and humidity controlling mechanism, water leak detection system, rodent control system, building management and multi level access control system. Strategically positioned cameras are in place to monitor and record all the activities inside the data centre. Most of the mission critical IT applications are now being operated from this facility.

As a part of its comprehensive business continuity planning, CESC implemented a distributed disaster recovery mechanism by commissioning two disaster recovery sites during the year. These sites will come into immediate play in the event of the main data centre being disrupted. The data centre and the disaster recovery sites are interconnected through 10 gigabit links. In a related initiative, the Company has established two network

operations centres by re-engineering the deployment of its core equipment. This will ensure that in the unfortunate event of a major outage at one centre, the other can take care of the entire traffic with minimum impact to the users.

During the year, the Company also extended the coverage CESCNET, its captive optical fibre data network, to various nodes for distribution management system. This initiative of using the CESCNET for the purpose of distribution automation will bring about significant cost savings and efficiency gains by opening up the possibilities of higher throughput of data over the network.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CESC is committed to carrying out its business operations responsibly and in developing strong and sustainable local communities. The focus areas of CESC's CSR initiatives are: education, health, environment & sustainability, and community development.

In the area of education, CESC regularly undertakes infrastructure building activities, awareness programmes and supporting students as a part of its CSR activities. During 2011-12, CESC provided infrastructure support to three schools at Budge Budge and two schools at Titagarh. Apart from this, study materials were also distributed to students on a merit-and-need basis. The Company also actively involves its employees in carrying out awareness sessions on 'Electrical Safety and Energy Conservation' for students. During the year, these programmes were carried out in 92 schools in Kolkata and nine schools in Titagarh.

In another important initiative, CESC provided support to 'Antaranga'—a residential school for mentally challenged girls in Budge Budge. Apart from providing infrastructure and other support from time to time, it is working on comprehensive rehabilitation programmes for the students by helping them to develop livelihood generating skills such as hand-made greetings cards and candle making. CESC plans to collaborate with other agencies for carrying out similar skill development programmes and, at the same time, establishing linkages with the market for sustainable rehabilitation of these students.

Promoting high quality management education is another major thrust for the Company. CESC has been supporting Alipore Institute of Management & Technology and the setting up of International Management Institute – Kolkata (IMI-K), a state of the art management institute with hostel facilities in the heart of Kolkata at Alipore. IMI-K started its first batch during 2011-12.

In the area of health, CESC continues to provide infrastructure support to various government hospitals and clinics, primarily to facilities around its generation capacities. The infrastructure development activities for Titagarh Municipal Hospital initiated during the previous year were successfully completed in 2011-12. Details of activities that benefit the workers in its plants have already been provided in the section on 'Safety and Health'. The Company also organises health camps for the benefit of communities around its operating locations. As a part of community development initiatives carried out during the year, it renovated and upgraded a children's park in Titagarh.

In the area of environment and sustainability, the Company, apart from its conservation initiatives as a part of its operations, has an ongoing activity 'Going Green' - where various initiatives such as Green Building, Green Communication and Carbon Accounting are undertaken. As a part of this, the Company has taken up the task of converting CESC House - its corporate office - into a LEED certified Green Building under the existing building category. Other key initiatives carried out during the year include tree plantation drives, recycling of e-waste as part of the 'Planet Partner Programme' of Hewlett Packard, and conducting regular campaigns in CESC offices to reduce paper consumption.

FINANCIAL PERFORMANCE

Table 3 summarises the financial performance of CESC Limited for the year ended 31 March 2012 as a standalone entity.

Table 3: Standalone Financial Performance of CESC Limited for the year ended 31 March 2012

Rs. crore

	2011-12	2010-11	% Change
Revenue from operations	4,680.5	4,172.5	12.2
Other Income	101.3	74.1	36.7
Net Sales / Income from Operations	4,781.9	4,246.7	12.6
Cost of Power Purchased	636.1	665.4	(4.4)
Fuel Costs	1,762.0	1,428.3	23.4
People Costs	471.0	432.7	8.8
Generation, Distribution, Administration & Other Costs	654.3	563.1	16.2
Total Expenses	3,523.3	3,089.6	14.0
EBIDTA	1,258.6	1,157.1	8.8
Depreciation	289.5	267.4	8.3
EBIT	969.1	889.7	8.9
Finance Costs	275.8	275.5	0.1
PBT	693.3	614.3	12.9
Less: Provision for Taxes			
Current Tax	139.0	125.9	10.5
PAT	554.3	488.4	13.5

During 2011-12, total income from operations (including other income) of CESC as a standalone entity increased by 12.6%, from Rs.4,246.7 crore in 2010-11 to Rs.4,781.9 crore in 2011-12.

Overall expenses grew by 14% (Rs.3,523.3 crore in 2011-12 vis-à-vis Rs.3,089.6 crore in 2010-11), primarily driven by increase in fuel costs. In spite of this, earnings before interest, depreciation and taxes (EBIDTA) went up by 8.8% over last year to Rs.1,258.6 crore in 2011-12. Profit before depreciation and taxation (PBDT) reflected a year-on-year increase of 11.5% — from Rs.881.6 crore in 2010-11 to Rs.982.8 crore in 2011-12.

Depreciation, at Rs.289.5 crore, was 8.3% higher than the previous year's figure of Rs.267.4 crore; mainly due to increase of plant

and machinery (net increase of Rs. 16.2 crore) and transmission and distribution system (increase of Rs.211.7 crore). Finance costs remained stable during the year.

As a result, the Company's profit after taxes (PAT) for 2011-12 stood at Rs.554.3 crore, which reflects a 13.5% increase over the previous year (Rs.488.4 crore).

INTERNAL CONTROLS

The Company maintains established internal control systems in order to ensure effectiveness and efficiency of its operations, optimum utilisation of resources and compliance with applicable laws and regulations.

The internal control functions are carried out by the Internal Audit Department, based on an annual audit plan, which gives due weightage to the various risk parameters associated with the business. The findings of the Internal Audit Department and the actions taken thereon are reviewed and monitored by the Audit Committee and placed before the Board of Directors, wherever necessary. The 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.

In another development, although the volume of electricity traded through trading licenses and power exchanges has grown rapidly in the last few years, the prices have become more volatile. This makes the management of demand-supply balance more challenging. With increase in generation capacities, the merchant market for power was soft during 2011-12, in spite of sharp increase in cost of production. If this trend continues, it will impact the profitability of new generation projects of 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. As far as the market for power is concerned, CESC is judicious in its planning for new projects and should benefit from increase in demand in its licensed area. Nonetheless, this remains a challenge in the short-term.

Operational Risks

It is becoming more and more difficult to build generating stations inside a congested megalopolis 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.

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; and this exposes the Company to risks with respect to changes in policies and regulations. Besides, given the polluting 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. During the year, CESC has aided successfully in implementation of a 'value added' ash utilisation project in Budge Budge. As explained earlier, the Company, 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 has become more uncertain over the year. The energy outlook, too, has changed considerably with the nuclear incident in Japan and worsening of the geo-political environment in Middle East and North Africa. These can have long term impact on the way energy demands are met globally, and at the same time delay policy commitments important to address environmental concerns.

India is also facing considerable headwinds on several fronts: economic growth has moderated to a nine-year low of 6.5% during 2011-12, inflationary pressures continue to persist and is not at its best business sentiment. The situation is equally worrying for the power sector, which is reeling under the additional pressure of severe coal shortages.

The only comfort in this difficult environment is that there is considerable pent-up demand for power, and the medium- to long-term demand is projected to increase significantly. This will not be restricted to additional demand from businesses. Consumer demand will increase as more and more people have the incomes to afford energy intensive products and services. What is perhaps more important is that private sector investment will be the key constituent of this growth.

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, both in West Bengal and in other states. Some of the projects are under execution, whereas others are in different stages of planning. Over the next few years, CESC will endeavour to become a significant player in the power sector - with a pan-India presence and strong capabilities across conventional and renewable fuel sources.

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



S. Goenka
Vice-Chairman

Kolkata, 13 June 2012

Report on Corporate Governance

(Annexure 'B' to Directors' Report)



Company's Philosophy on Corporate Governance

CESC Limited ('CESC' or 'the Company') recognises that sound corporate governance is to be fast, progressive and focussed while remaining committed to core values for laying the foundation of long term success. It believes that corporate responsibilities should be so articulated as to ensure strategic guidance, effective monitoring and accountability, thus resulting in consumer satisfaction and fairness in dealings.

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 of the Stock Exchanges. The Company has adopted practices mandated in the revised Clause 49 and has established procedures and systems to remain fully compliant with it.

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 2012.

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

On 31 March 2012, CESC's Board of Directors ('the Board') consisted of eight Directors, of which four were Independent Directors. One of the non-executive Independent Directors is nominee of a bank. The Managing Director is the only executive member on the Board of the Company. The composition of the Board satisfies the requirements of Clause 49 of the Listing Agreement. Since the close of the year, one more Independent Director has joined the Board.

NUMBER OF BOARD MEETINGS

In 2011-12, the Board of the Company met five times: on 29 April 2011, 24 June 2011, 29 July 2011, 9 November 2011 and 13 February 2012. 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 ten 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 2012

Name of the Directors	Category	No. of other Directorships and Committee memberships / 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 (Chairman)	Promoter, Non- Executive	2	-	-	5	5	Yes
Mr. S. Goenka (Vice Chairman)	Promoter, Non-Executive	11	1	1	5	5	Yes
Mr. P. K. Khaitan	Non-Independent	14	3	-	5	5	Yes
Mr. B. M. Khaitan	Independent	5	-	-	5	3	No
Mr. B. P. Bajoria ³	Independent	3	3	-	5	4	Yes
Mr. S. K. V. Srinivasan (Nominee of IDBI Bank Limited)	Independent	1	-	-	5	3	No
Mr. S. N. Menon ⁴	Independent	6	4	-	5	-	No
Mr. O. P. Vaish ⁴	Independent	6	3	1	5	2	No
Mr. S. Banerjee (Managing Director)	Executive	5	2	-	5	4	Yes

Notes:

- The Directorships held by Directors as mentioned above 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. Mr. B. P. Bajoria expired on 20 February, 2012.
4. Mr. S. N. Menon and Mr. O. P. Vaish became Directors on the Board of the Company with effect from 7 September, 2011.

DIRECTORS WITH MATERIALLY PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

As mandated by Clause 49, 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 37(b) to the financial statements for the year 2011-12. 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 2011-12 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

CESC's Audit Committee consisted of Mr. S. Goenka, Mr. B. M. Khaitan, and Mr. B. P. Bajoria as the Chairman of the Committee. After the demise of Mr. B. P. Bajoria, Mr. C. K. Dhanuka, Independent Director has joined the Audit Committee and 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 29 July 2011.

The Committee met five times during the course of the year: on 29 April 2011, 24 June 2011, 29 July 2011, 9 November 2011 and 13 February 2012. Table 2 gives attendance record.

Table 2: Attendance record of Audit Committee members for 2011-12

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. B. P. Bajoria	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 Vice President & Company Secretary is the secretary to the Committee.

The functions of the Audit Committee 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 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, 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 Board is also empowered to review the financial statements, in particular, the investments made by the unlisted subsidiary companies, in view of the requirements under Clause 49. No person has been denied access to the Committee.

INVESTORS' GRIEVANCE COMMITTEE

The Committee looks into all matters related with the transfer of securities. It also specifically 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, Managing Director, 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 Vice President & Company Secretary who is also the Compliance Officer. Table 3 gives the details of attendance.

Table 3: Attendance record of Investors' Grievance Committee for 2011-12

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 deals with the payment of commission to non-executive Directors.

The Committee, which consisted of Mr. P. K. Khaitan (Chairman), Mr. B. P. Bajoria, and Mr. Ajay Saraf was reconstituted during the year and presently comprises of Mr. B. M. Khaitan (Chairman), Mr. C. K. Dhanuka and Mr. S. K. V. Srinivasan. The Committee did not meet during the year.

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 2012:

Sitting fees paid during the year 2011-12

Mr. R. P. Goenka, Chairman - Rs. 100,000, Mr. S. Goenka, Vice Chairman - Rs. 260,000, Mr. P. K. Khaitan - Rs. 120,000, Mr. B. M. Khaitan - Rs. 160,000, Mr. B. P. Bajoria - Rs. 160,000, Mr. S. K V Srinivasan, Nominee of IDBI Bank Limited - Rs. 60,000, Mr. O P Vaish - Rs. 40,000 and Mr. S. N. Menon – Nil.

After taking into account the qualifications, experience, directorship in other companies having diverse business, time spent on strategic matters and contribution to the Company, it is proposed to remunerate the Non-Executive Directors by way of commission not exceeding in aggregate 3% per annum of the net profits of the Company for each of the financial years 2011-12 and 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 2011-12 is Rs. 2100 lakh. The above payment is subject to receipt of necessary approvals as required under the Companies Act, 1956.

None of the 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 the 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 – Rs. 54.00 lakh, contribution to Pension and Provident Fund and Gratuity – Rs. 17.18 lakh, Estimated value of other benefits – Rs.52.09 lakh, Commission payable for 2011-12 – Rs. 350 lakh. Total : - Rs. 473.27 lakh. Mr. Banerjee is the only executive on the Company's Board. Notice period is six months and there is no severance fee.

Shares and convertible instruments held by non-executive Directors:

As on 31 March 2012, Mr. S. Goenka, Vice Chairman and a 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

Mr. B. P. Bajoria, Independent Director of CESC Limited was nominated on the Board of Directors of Spencer's Retail Limited a non-listed subsidiary, with effect from 5 August 2008.

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, Vice President & 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. P. K. Khaitan and Mr. S.K.V. Srinivasan retire by rotation at the end of this year's Annual General Meeting, and being eligible, offer themselves for re-appointment.

Mr. S. N. Menon, Mr. O. P. Vaish and Mr. C. K. Dhanuka joined the Board with effect from 7 September 2011, 7 September, 2011 and 4 May 2012 respectively as Additional Directors and shall hold office up to the date of the forthcoming Annual General Meeting. The Company has received three Notices in writing from these Members along with the requisite deposit of money signifying their intentions to propose the candidatures of Mr. Menon, Mr. Vaish and Mr. Dhanuka for the office of Director under the provisions of Section 257 of the Companies Act, 1956. Their details are mentioned below.

Mr. P. K. Khaitan, 71 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 dealing with corporate and other laws. He is a member of the Bar Council of India, the Bar Council of West Bengal, the Incorporated Law Society of India and the Indian Council of Arbitration, and is also connected with various educational institutions and social organisations. He is on the Board of Directors of CESC since 1992 and is member of its Finance & Forex Committee and Project Committee.

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

Mr. S. K. V. Srinivasan, 55 years of age, is a graduate in engineering with professional qualifications in finance (PGDBM) and banking (CAIIB). In his present role as Executive Director, he is having business responsibilities for IDBI Bank Limited in Personal Banking & Priority Sector initiatives. Mr. Srinivasan has over three decades of commercial banking experience covering Corporate, Retail and Transaction Banking and has led business strategies in various geographies across India. Mr. Srinivasan has over three decades of commercial banking experience covering corporate, retail and transaction banking and has led the Bank's business strategies in various geographies across India.

Other Directorships	Mr. Srinivasan is a Director of PPN Power Generating Company Limited.
Number of shares held in the Company	Nil

Mr. S. N. Menon, 65 years of age, is a retired IAS, and has held several senior administrative positions in the State of West Bengal and the Central Government. The last position he held was that of the Secretary, Ministry of Commerce, Government of India.

Other Directorships	Mr. Menon is the Chairman of Nicco Parks and Resorts Limited and Bengal Peerless Housing Development Company Limited (also member of its Managerial Remuneration Committee) He is a Director of Fullerton India Credit Company Limited (also member of its Audit Committee and Remuneration & Nomination Committee), West Bengal State Electricity Distribution Company Limited (also member of its Audit Committee), Project Appraisal and Monitoring Committee and Contracts/Purchases & Procurement Committee), Tata Tayo Rolls Limited (also member of its Audit Committee and Remuneration Committee), Mcleod Russel India Limited (also member of its Audit Committee), Voltas Limited (also member of its Remuneration Committee) and Metrovalley Business Park Private Limited.
Number of shares held in the Company	Nil

Mr. O. P. Vaish, 81 years of age, designated Senior Advocate, is the founder of the law firm – Vaish Associates. Earlier, he served in the Indian Revenue Service and later as Chief, Economics & Law, FICCI. Mr. Vaish is a National Executive Committee member of FICCI and ex-officio member of ICC India. He is a member of the Board of Governors of International Management Institute and also the Chairman of its Audit Committee. He is a Past President of PHD Chamber of Commerce and Industry, was the Government Nominee on the Central Council of the Institute of Chartered Accountants of India and has been on the Committees for framing of the Competition Law and rewriting the Companies Act.

Other Directorships	Mr. Vaish is a Director of Godfrey Phillips India Limited (also Chairman of its Audit Committee), Indo Rama Synthetics (India) Limited (also member of its Audit Committee), International Travel House Limited (also Chairman of its Investment Services Committee, member of its Audit Committee and Remuneration Committee), PNB Finance & Industries Limited (also member of its Audit Committee), The India Thermit Corporation Limited, Ginni Filaments Limited (also member of its Disinvestment Committee) and Universal Trustees Private Limited.
Number of shares held in the Company	Nil

Mr. C. K. Dhanuka, 58 years of age, is a graduate in Commerce and has over 33 years of experience in the industry. An industrialist by occupation, he is the ex-Chairman of FICCI (Eastern Regional Council) and is also a member of the National Committee of FICCI. Mr. Dhanuka was the Chairman of the Indian Tea Association and Vice-Chairman of the Tea Board. He was also the President of the All India Organisation of Employers.

Other Directorships	Mr. Dhanuka is the Executive Chairman of Dhunseri Petrochem & Tea Limited, Managing Director of Dhunseri Investments Limited. He is also a Director of Naga Dhunseri Group Limited, Mint Investments Limited, Plenty Valley Intra Limited, Trimplex Investments Limited, Madhuting Tea Private Limited, Jatayu Estate Private Limited, ABC Tea Workers Welfare Services, Warren Tea Limited, Dhunseri Petrochem & Tea Pte. Limited and Egyptian Indian Polyester Co. SAE.
Number of shares held in the Company	Nil

COMMUNICATION TO SHAREHOLDERS

CESC puts forth key information about the Company and its performance, including quarterly results, official news releases, and presentations to analysts, on its website 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, Vice President & 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
2008-09	24 July 2009	10.30 A.M.	CITY CENTRE Royal Bengal Room DC Block Sector I Salt Lake, Kolkata 700064	None
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

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 of the guidelines 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. 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



S. Goenka
Vice-Chairman

Kolkata, 13 June 2012

Additional Shareholder Information

(Annexure 'C' to Directors' Report)



ANNUAL GENERAL MEETING

Date : 27 July 2012
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.

For the year ended 31 March 2012, results were announced on:

First quarter : 29 July 2011
Second quarter : 9 November 2011
Third quarter : 13 February 2012
Fourth quarter and annual : 8 May 2012

For the year ended 31 March 2013, results will be announced by:

First quarter : Second week of August 2012
Second quarter : Second week of November 2012
Third quarter : Second week of February 2013
Fourth quarter and annual : Last week of May 2013

BOOK CLOSURE AND DIVIDEND DATE

The Register of Members will be closed from Friday, 13 July, 2012 to Friday, 27 July, 2012 (both days inclusive) as annual closure for the Annual General Meeting and payment of dividend, if declared.

The Board has recommended a dividend of Rs. 5 per equity share for the year ended 31 March 2012. If declared at the AGM, this dividend would be payable on and from 1 August, 2012.

LISTING

Equity shares of CESC Limited are listed on the Calcutta Stock Exchange Association Limited, Kolkata; Bombay Stock Exchange 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: 5000084
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 (CSE), Bombay Stock Exchange Limited (BSE) and the National Stock Exchange (NSE) for the year 2011-12.

Table 1: High and Low Prices and Trading Volumes at the CSE, BSE and NSE

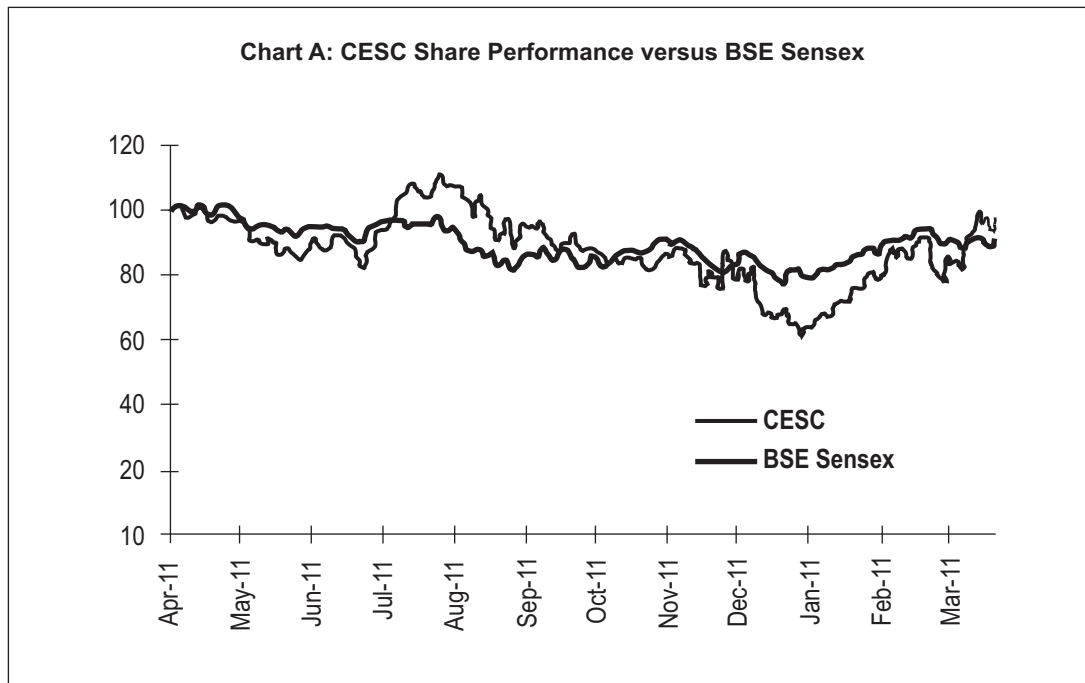
Month	CSE		BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
APR, 2011	321.70	301.70	320.95	303.35	325.90	299.00
MAY, 2011	306.95	268.15	307.35	268.00	314.95	267.20
JUN, 2011	300.40	262.05	300.65	262.65	310.10	252.20
JUL, 2011	349.75	294.80	349.55	294.65	364.90	293.70
AUG, 2011	340.65	277.40	340.05	278.70	343.50	275.55
SEP, 2011	305.00	275.35	304.55	274.15	310.95	270.50
OCT, 2011	273.10	257.35	275.80	257.15	278.90	253.15
NOV, 2011	280.00	239.75	280.00	241.25	295.80	233.75
DEC, 2011	260.65	195.30	260.85	195.90	268.00	190.95
JAN, 2012	254.85	202.35	254.85	202.90	256.70	198.60
FEB, 2012	290.50	249.85	290.60	249.75	301.50	247.00
MAR, 2012	312.35	262.45	312.20	262.40	318.00	259.40

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 2011-12.

Table 2: Performance in comparison to NSE Nifty, BSE Sensex, BSE 500 and BSE Power Index

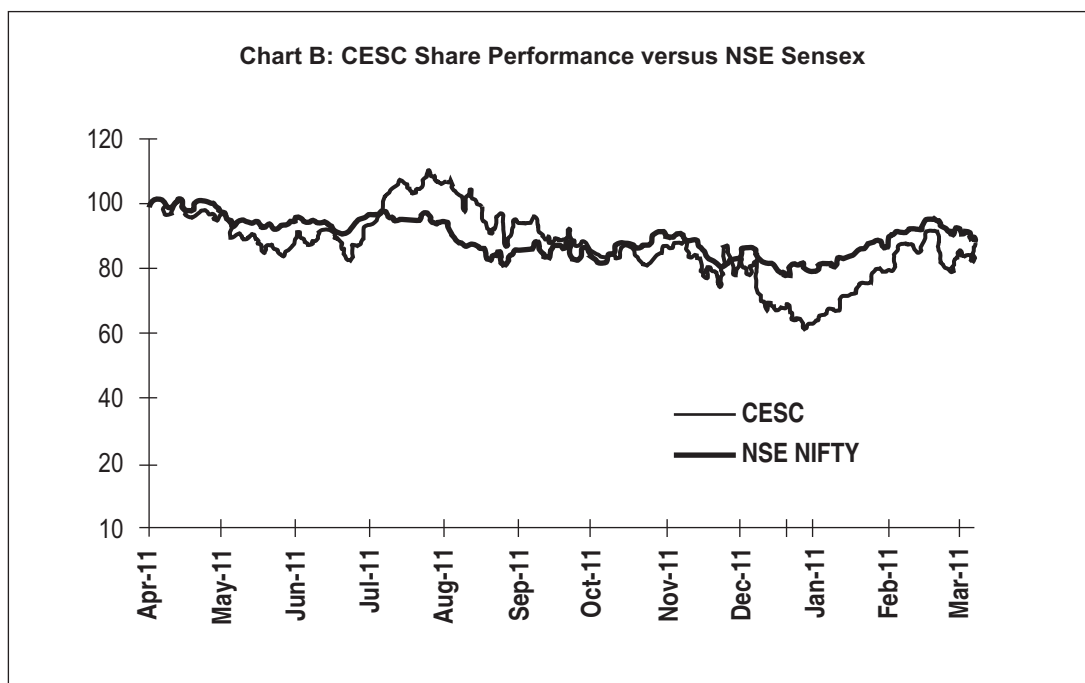
As on close of last trading day for each month	CESC's Closing Price on NSE (Rs.)	NSE Nifty	BSE Sensex	BSE 500 Index	BSE Power Index
APR, 2011	308.20	5749.50	19135.96	7427.14	2662.95
MAY, 2011	278.80	5560.15	18503.28	7233.85	2555.82
JUN, 2011	298.50	5647.40	18845.87	7265.32	2612.01
JUL, 2011	337.65	5482.00	18197.20	7111.31	2455.87
AUG, 2011	302.05	5001.00	16676.75	6487.22	2232.64
SEP, 2011	277.60	4943.25	16453.76	6385.76	2125.41
OCT, 2011	276.20	5326.60	17705.01	6763.26	2205.11
NOV, 2011	260.25	4832.05	16123.46	6117.00	1936.39
DEC, 2011	201.40	4624.30	15454.92	5778.68	1795.95
JAN, 2012	251.85	5199.25	17193.55	6549.31	2075.70
FEB, 2012	270.45	5385.20	17752.68	6857.28	2280.39
MAR, 2012	271.70	5295.55	17404.20	6759.63	2097.97

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



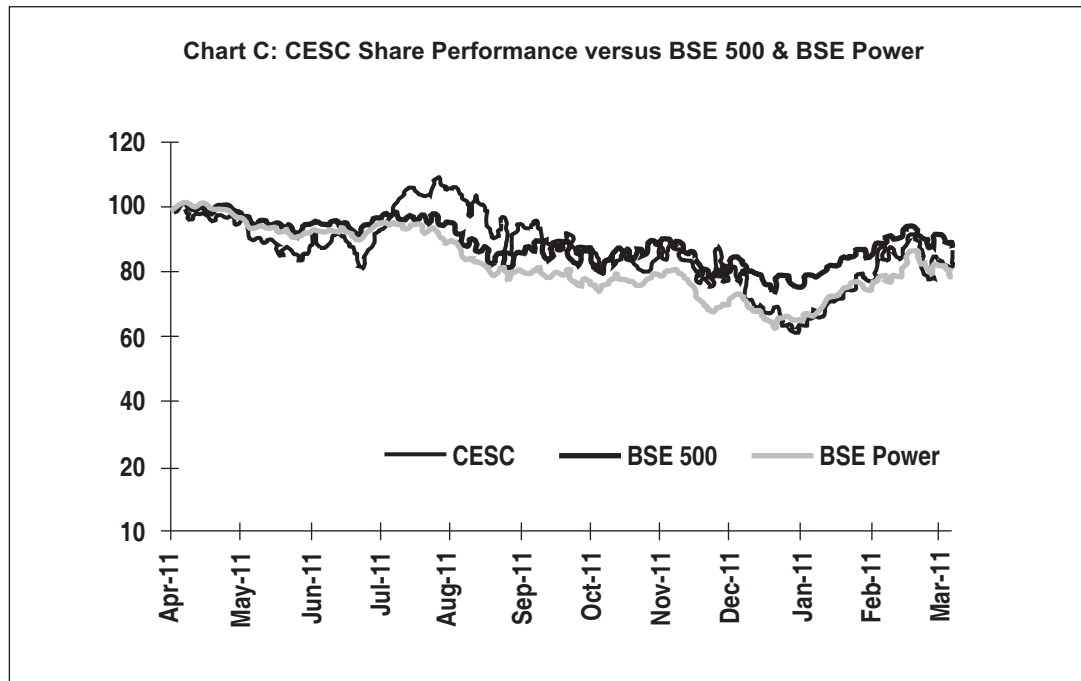
Note : Share price of CESC and BSE Sensex have been indexed to 100 on 1 April 2011

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



Note: Share price of CESC and NSE NIFTY have been indexed to 100 on 1 April 2011

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



Note: Share price of CESC, BSE 500 and BSE Power have been indexed to 100 on 1 April 2011

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.

Shares received in physical form are processed and the share certificates are returned within 10 to 15 days from the date of receipt, subject to the documents being complete and valid in all respects.

The Company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the Stock Exchanges. The Registrar and Share Transfer Agent of the Company periodically receives data regarding the beneficiary holdings, so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

As on 31 March 2012, dematerialised shares accounted for 96.11 % of total equity. There are no 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 2012.

Table 3: Number and nature of complaints for 2011-12

Particulars	Nature of Complaint				Total
	Non-Receipt of Certificates	Change of address	Non-receipt of dividend	Others (Non-Receipt of Annual Reports/ Non Receipt of Demat credit, etc.)	
Received during the year	11	1	17	21	50
Attended during the year	11	1	17	21	50
Pending as on 31 March 2012	NIL	NIL	NIL	NIL	NIL

SHAREHOLDING PATTERN

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

Table 4: Pattern of shareholding by ownership as on 31 March 2012

Category	As on 31 March 2012	
	Total No. of shares	Percentage
1. Management Group/ Families	65,572,309	52.49
2. Institutional Investors		
a. Mutual Funds and UTI	17,900,091	14.33
b. Banks, Financial Institutions, Insurance Companies	3,035,247	2.43
c. FII's	22,315,171	17.86
Total	43,250,509	34.62
3. Others		
a. Private Corporate Bodies	8,680,373	6.95
b. Indian Public	6,115,152	4.89
c. NRIs / OCBs	1,317,582	1.05
d. Directors & Relatives (not in control of the Company)	-	-
Total	16,113,107	12.89
Grand Total	124,935,925	100.00

Table 5: Pattern of shareholding by share class as on 31 March 2012

Shareholding Class	No of shareholders	No of shares held	Shareholding %
Up to 2,500	42,898	5,506,174	4.41
2,501 to 5,000	205	726,044	0.58
5,001 to 10,000	100	741,042	0.59
10,001 to 20,000	72	988,034	0.79
20,001 to 30,000	30	745,125	0.60
30,001 to 40,000	13	455,439	0.37
40,001 to 50,000	8	348,502	0.28
50,001 to 100,000	35	2,578,969	2.06
100,001 and above	92	112,846,596	90.32
Total	43,453	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, Vice President & 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.

Year	Date of Payment	Due date for credit to IEPF	Amount lying unpaid / unclaimed as on 31 March 2012 (Rs.)
2004-05	1 August 2005	30 August 2012	17,90,987.59
2005-06	24 July 2006	22 August 2013	16,19,747.52
2006-07	1 August 2007	30 August 2014	19,06,875.32
2007-08	1 August 2008	30 August 2015	25,03,618.00
2008-09	27 July 2009	26 August 2016	26,89,415.00
2009-10	1 August 2010	30 August 2017	23,49,948.00
2010-11	1 August 2011	30 August 2018	20,96,782.00

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



S. Goenka
Vice-Chairman

Kolkata, 13 June 2012

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 2011-12.



S. Banerjee
Managing Director

Kolkata, 13 June 2012

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 31st March, 2012, 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

Place : Kolkata
Date : 13th June, 2012

Particulars relating to Conservation of Energy, Technology Absorption etc. for the year ended 31 March, 2012.

A. Conservation of Energy

1. Following measures taken over the year has contributed to Energy Conservation & 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 99 MVAR shunt capacitors were added.
- ii. Standardization to higher rated UG cables, 1000 mm² at 33 kV & 300 mm² 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 72 nos. Dual ratio Distribution Transformers have been commissioned.
- vi. Energy Audit at company's' different establishments and premises were carried out by accredited energy auditors to assess and identify the potential energy saving locations accompanied with 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 2012-13 that will contribute to reliability, security and safety in T&D Network:

- i. Conversion of outdoor 132/33kV Substations at B. Garden, East Calcutta and Majerhat to Integrated Indoor GIS Substations and thereby enhancing the Transformation Capacity and T&D asset space consolidation.
- ii. Commissioning of an integrated 220/132/33kV Indoor GIS substation with 2x160MVA Power Transformers has also been planned 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.
- iii. Establishing a bulk power transfer corridor by laying 220 kV underground cable circuit from Eastern Metropolitan Substation to the proposed 220/132/33kV Integrated Substation at New Cossipore.
- iv. Installation & 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.

- v. Installation & 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.
- vi. Installation of 220kV Diameter No. 6, extension of 132kV GIS and installation of 5th 160MVA 220/132/33kV Transformer at E. M. Substation.
- vii. New connectivity by laying 132 kV 160 MVA UG Cable circuit between Eastern Metropolitan Sub-station and East Calcutta Substation has been taken up.
- viii. Construction of the building for a new 132/33kV Underground Substation at Park Circus has been taken up.
- ix. Installation of about 100 MVAR HV/ EHV capacitor banks in the ensuing year.
- x. New 132/33 kV Substation at Patuli and augmentation of transformation capacity at East Calcutta Substation and Titagarh Receiving Station.
- xi. Induction of 33 kV GIS at strategic Distribution stations to enhance network reliability at 33 kV and mitigate the network operational complexity.
- xii. Continued replacement of 6kV Bulk oil and old outlived hazardous switchboards at selected Distribution Stations.
- xiii. Continued up-gradation of 6kV Network to 11kV including installation of 33/11-6kV winding Power Transformers and installation of 11kv switchboards at selected Distribution Stations.
- xiv. Continued replacement of old electromechanical meters of LTAC/ MVAC consumers by superior quality electronic meters.
- xv. Installation of remote metering AMR at selected MVAC sources for energy audit as an ongoing process.

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 T&D network has been adopted as a ritual to identify potential failure points in the equipment before actual occurrence

of failure. These have helped to mitigate damage, downtime significantly and improve reliability of the system network. Condition monitoring are being carried out with latest technology based instruments for measurement of Partial Discharge (PD), Transient Earth Voltage (TEV), Ultra-sonic signal detection, Infra-red Thermo-graphic Scanners, application of Sweep Frequency Response analysis and use of Shock detection analyzer during transport of large transformers.

- ii. All HT consumers are covered under AMR from remote using GSM & GPRS communication network.
- iii. Progressive induction of SF6 filled Ring Main Units continued in HV Distribution Network to enable safe, on-load operations for quicker restoration of supply outages.
- iv. As a part of implementation of SCADA at distribution level Remote Terminal Units (RTU) have been installed at 30 Nos. 33/11-6 kV Distribution Stations and the same have been integrated with 2 Nos. Regional Control Centers (RCC) and Master Control Centre (MCC) for real time monitoring and control functions.

Installation and commissioning of RTUs at balance Distribution Stations for SCADA purpose have been planned in the coming years.

- v. A step towards SMART GRID has been initiated through implementation of Distribution Automation through OF communication on a model 6kV network with remote

operation facility of SF6 RMUs for the supply at Writer's Building, Govt. of West Bengal. This will permit real time monitoring of the network with enhanced reliability, security and provide faster restoration of supply in the event of a breakdown.

Research & Development

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

C. Foreign Exchange Earnings and outgo

There has been no foreign exchange earning during the year (Previous year – Rs. 2.38 crore). The foreign exchange outgo during the year amounted to Rs 198.15 Crore (Previous year – Rs. 170.37 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, technical service fees, travelling expenses etc.

On behalf of the Board of Directors



S. Goenka
Vice-Chairman

Kolkata, 13 June 2012

TO THE MEMBERS OF CESC LIMITED

1. We have audited the attached Balance Sheet of CESC 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 profit 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.

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

Prabal Kr. Sarkar
Partner
Membership No. 52340

Kolkata, 13 June 2012

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of CESC 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, 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 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.
2. (a) The inventories (excluding inventories in transit) have been physically verified by the management during the year. In respect of inventories in transit, these were verified with reference to subsequent receipts. In our opinion, the frequency of verification is reasonable.
(b) 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.
(c) 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.
3. (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, 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 inventory, 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 weakness have been noticed or reported.
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. 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.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. 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.
9. (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 and other

Auditors' Report



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 2012 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.'Crore)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales tax on meter rentals	0.30	1992-93	Hon'ble High Court at Calcutta

10. The Company has no accumulated losses as at 31 March 2012 and it has not incurred any cash losses in the financial year ended on that date or 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 any financial institution or bank or debenture holders as 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.
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 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, 13 June 2012

Balance Sheet as at 31st March, 2012



Rs. in Crore

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	125.60	125.60
Reserves and surplus	4	5,886.17	5,443.64
		6,011.77	5,569.24
Non-current liabilities			
Long-term borrowings	5	2,167.13	2,152.93
Deferred tax liabilities (Net)	30	-	-
Advance against Depreciation		566.03	514.26
Consumers' Security Deposits		1,050.90	935.46
Other long term liabilities	32	799.67	742.30
Long-term provisions	6	89.27	67.26
		4,673.00	4,412.21
Current liabilities			
Short-term borrowings	7	432.76	489.73
Trade payables	8	291.03	280.34
Other current liabilities	9	1,230.48	908.43
Short-term provisions	10	88.38	72.12
		2,042.65	1,750.62
TOTAL		12,727.42	11,732.07
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	7,585.14	7,339.48
Intangible assets	12	129.91	139.07
Capital work-in-progress		376.45	256.90
		8,091.50	7,735.45
Non-current investments	13	1,048.18	854.32
Long-term loans and advances	14	69.54	77.09
Other non-current assets	15	5.01	18.61
		9,214.23	8,685.47
Current assets			
Current investments	16	85.00	230.00
Inventories	17	294.70	294.44
Trade receivables	18	977.01	558.94
Cash and bank balances	19	859.84	838.84
Short-term loans and advances	20	1,221.47	1,090.75
Other current assets	21	75.17	33.63
		3,513.19	3,046.60
TOTAL		12,727.42	11,732.07

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, 13 June, 2012

Subhasis Mitra
Vice President & Company Secretary

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

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



Rs. in Crore

Particulars	Note No.	2011-12	2010-11
Revenue from operations	23	4,680.54	4,172.54
Other income	24	101.31	74.11
Total Revenue		4,781.85	4,246.65
Expenses			
Cost of electrical energy purchased		636.05	665.42
Cost of fuel	25	1,761.97	1,428.30
Employee benefit expenses	26	470.96	432.71
Finance costs	27	275.81	275.47
Depreciation and amortisation expenses	28	289.48	267.37
Other expenses	29	654.27	563.13
Total expenses		4,088.54	3,632.40
Profit before tax		693.31	614.25
Tax expenses :			
Current		(139.00)	(125.85)
Deferred (net)		(35.61)	(99.12)
Recoverable/(Payable)		35.61	99.12
Profit for the year - transferred to Surplus		554.31	488.40
Earnings per equity share (Face Value of Rs. 10 per share) :			
Basic and Diluted	36	44.37	39.09
Notes forming part of Financial Statements	1 - 45		

This is the Statement of Profit & 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, 13 June, 2012

Subhasis Mitra
Vice President & Company Secretary

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

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



	Rs. in Crore	
	2011-12	2010-11
A. Cash flow from Operating Activities		
Profit before Taxation	693.31	614.25
Adjustments for :		
Depreciation and amortisation expenses	289.48	267.37
Loss/(Profit) on sale/disposal of assets (net)	(1.68)	0.78
Gain on sale of current investments (net)	(14.23)	(26.71)
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	25.69	19.34
Allowances for doubtful debts/advances made	-	11.99
Interest expense	273.90	272.10
Interest Income	(63.72)	(44.42)
Advance against depreciation	51.77	67.55
Loss on foreign currency transactions (net)	-	2.16
Operating Profit before Working Capital changes	1,242.14	1,184.83
Adjustments for :		
Trade and other receivables	(326.52)	(31.12)
Inventories	(0.26)	(56.16)
Trade and other payables	252.09	23.11
Cash Generated from Operations	1,167.45	1,120.66
Income Tax paid	(144.50)	(119.85)
Net cash flow from Operating Activities	1,022.95	1,000.81
B. Cash flow from Investing Activities		
Purchase of Fixed Assets / Capital Work-in-Progress	(716.33)	(736.21)
Sale of Fixed Assets	4.26	1.84
Investment in Subsidiaries and Joint Ventures	(191.63)	(735.05)
Sale of Current Investments (net)	159.23	46.71
Sale of Long Term Investments in Subsidiaries	-	350.31
Sale of Long Term Investments	2.16	-
Dividend received	0.30	0.30
Interest received	42.76	32.75
Advance to subsidiaries, Joint Venture and others for share subscription (net)	(116.05)	(188.56)
Net cash used in Investing Activities	(815.30)	(1,227.91)

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



	2011-12	Rs. in Crore 2010-11
C. Cash flow from Financing Activities		
Proceeds from Long Term Borrowings	482.50	375.00
Repayment of Long Term Borrowings	(373.92)	(350.32)
Repayment of Public Deposits	(0.11)	(0.45)
Net increase / (decrease) in Cash Credit facilities and other Short Term Borrowings	(56.97)	180.62
Capital Contributions and Advance received from Consumers	112.74	83.13
Interest paid	(293.01)	(283.80)
Dividend paid	(49.77)	(49.73)
Dividend tax paid	(8.11)	(8.30)
Net Cash used in Financing Activities	(186.65)	(53.85)
Net Increase / (decrease) in cash and cash equivalents	21.00	(280.95)
Cash and Cash equivalents - Opening Balance	838.84	1,119.79
Cash and Cash equivalents - Closing Balance	859.84	838.84

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 The Companies (Accounting Standards) Rules, 2006.
- b) Closing Balance of Cash and Cash equivalents represent "Cash and Bank balances" and includes Rs. 1.50 crore (31.3.2011 - Rs. 1.30 crore) lying in designated accounts with banks on account of unclaimed dividends which are not available for use by the Company and Rs. 85.70 crore (31.3.2011 - Rs. 61.40 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, 13 June, 2012

Subhasis Mitra
Vice President & Company Secretary

For and on behalf of Board of Directors
Vice-Chairman S. 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. 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 statements and the same 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.

(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 31 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. 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 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 pro rata 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 amortised over the unexpired period of the lease.

Cost of intangible assets, comprising 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 spare parts and fuel 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.

(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 Profit and Loss Statement. 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. Foreign currency loans, availed of on a fully hedged basis in Indian Rupee and where as per the terms of the underlying contracts no exchange fluctuation is on the Company's account, are accounted for in the currencies in which such loans have been fully hedged.

(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 hire of meters 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.

(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.

Notes Forming Part of Financial Statements (Contd.)



Rs. in Crore

	<u>As at 31st March, 2012</u>	<u>As at 31st March, 2011</u>
NOTE 3 SHARE CAPITAL		
(a) Authorised Share Capital 15,00,00,000 Equity Shares of Rs. 10/- each	150.00	150.00
(b) Issued Capital 13,12,35,897 Equity Shares of Rs. 10/- each	131.24	131.24
(c) Subscribed and paid up capital 12,49,35,925 Equity Shares of Rs. 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

	<u>As at 31st March, 2012</u>		<u>As at 31st March, 2011</u>	
	Number of shares	Amount	Number of shares	Amount
	(Rs. In Crore)		(Rs. 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 Rs. 10 per share fully paid up. Each holder of equity share is entitled to one vote per share. During the year ended 31st March, 2012 the amount of dividend per share recommended by the Board of Directors as distributions to equity shareholders is Rs. 5 (31.03.2011 - Rs. 4) 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

	<u>As at 31st March, 2012</u>		<u>As at 31st March, 2011</u>	
Name of shareholder	Number of shares	% of holding	Number of shares	% of holding
Rainbow Investments Limited	31,058,414	25	31,058,414	25
Universal Industrial Fund Limited	17,791,421	14	17,791,444	14

(h) 3,10,58,414 Equity Shares of Rs. 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.

Notes Forming Part of Financial Statements (Contd.)



	Rs. in Crore	
	As at 31st March, 2012	As at 31st March, 2011
NOTE 4 RESERVES AND SURPLUS		
(a) Capital contribution from consumer as at beginning of the year	576.37	525.50
Add : Contribution during the year	70.01	50.87
	<u>646.38</u>	<u>576.37</u>
(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	1,264.96	1,373.71
Less : Withdrawal on account of depreciation on amount added on revaluation	105.37	106.56
	<u>1,159.59</u>	<u>1,267.15</u>
Less : Withdrawal of the residual amount added on revaluation consequent to sale/disposal of revalued assets	3.82	2.19
	<u>1,155.77</u>	<u>1,264.96</u>
(e) Fund for unforeseen exigencies at the beginning of the year	81.57	58.10
Add : Transfer during the year from Surplus (Refer Note (h) below)	28.10	23.47
	<u>109.67</u>	<u>81.57</u>
(f) General Reserve	2,055.35	1,705.35
Add : Transfer during the year from Surplus	400.00	350.00
	<u>2,455.35</u>	<u>2,055.35</u>
(g) Surplus at the beginning of the year	190.41	133.56
Add : Profit for the year	554.31	488.40
Less : Appropriations		
Transfer to fund for unforeseen exigencies	28.10	23.47
Transfer to General Reserve	400.00	350.00
Proposed Dividend	62.47	49.97
Tax on Proposed Dividend	10.13	8.11
	<u>244.02</u>	<u>190.41</u>
	<u>5,886.17</u>	<u>5,443.64</u>
(h) Amount transferred during the year to Fund for unforeseen exigencies to be invested as per the statute.		

Notes Forming Part of Financial Statements (Contd.)



Rs. in Crore

As at 31st March, 2012	As at 31st March, 2011
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NOTE 5 LONG-TERM BORROWINGS

(A) Secured

Term Loans

(1) Rupee Loans :

(i) Banks

(ii) Financial Institutions

1,577.03	1,485.18
389.55	510.51
1,966.58	1,995.69

(2) Foreign Currency Loans from banks

606.79	469.09
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2,573.37	2,464.78
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(B) Unsecured

Floating Rate Notes

70.85	62.07
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2,644.22	2,526.85
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Less : Current maturities of long term borrowings transferred to Other Current Liabilities (Refer Note 9)

477.09	373.92
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2,167.13	2,152.93
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(C) Nature of Security :

- Term loans in (A) above are secured by equitable mortgage / hypothecation of the fixed assets of the Company including its land, buildings and other constructions thereon where exits, 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 two Rupee Loans and one Foreign Currency Loan aggregating Rs. 397.50 Crore (31.03.2011 - Rs. Nil) is in process. User rights in respect of a freehold land having a book value of Rs. 68.95 crore have been offered for financial assistance availed of by a subsidiary company to their lenders.
- The security for the term loans in (A) above ranks pari passu inter se.

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

Rs. in Crore

Maturity Profile of Long Term Borrowings outstanding as at 31 March 2012	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	6.91	65.17	79.88	151.96	151.96
Loans with residual maturity between 1 and 3 years	43.87	30.00	26.58	100.45	62.81
Loans with residual maturity between 3 and 5 years	-	-	50.29	50.29	9.56
Loans with residual maturity between 5 and 10 years	1,431.25	294.38	520.89	2,246.52	248.01
Loans with residual maturity beyond 10 years	95.00	-	-	95.00	4.75
Total	1,577.03	389.55	677.64	2,644.22	477.09

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

	Rs. in Crore	
	As at 31st March, 2012	As at 31st March, 2011
Provision for employee benefits	89.27	67.26
	89.27	67.26

NOTE 7 SHORT TERM BORROWINGS

A. Secured		
Loans repayable on demand	432.76	374.73
Overdraft from banks		
B. Unsecured		
Short term Loan from banks	-	115.00
	432.76	489.73

C. Nature of Security

1. Overdraft facilities from banks in (A) above are secured 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 constructions thereon where exists, plant and machinery etc. However, creation of the said mortgage security in respect of overdraft facilities from banks aggregating Rs. 97.60 crore (31.03.2011 – Rs. 97.60 crore) is in process.
2. The security for the overdraft facilities in (A) above ranks pari passu inter se.

NOTE 8 TRADE PAYABLES

Trade payable include Rs. 2.76 crore (31.3.2011 - Rs. Nil) 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.

Rs. 0.01 crore (31.3.2011 - Rs. Nil) and Rs. 0.26 crore (31.3.2011 - Rs. Nil) representing interest due on amount outstanding as at the year end and interest accrued and due for the period of delay in making payment as at the year end respectively.

NOTE 9 OTHER CURRENT LIABILITIES

	Rs. in Crore	
	As at 31st March, 2012	As at 31st March, 2011
(a) Current maturities of long-term debt (Refer Note 5)	477.09	373.92
(b) Interest accrued but not due on borrowings	29.47	27.34
(c) Unclaimed dividend	1.50	1.30
(d) Unclaimed public deposit	0.51	0.62
(e) Liabilities on capital account	107.98	88.83
(f) Other payables	613.93	416.42
	1,230.48	908.43

(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

	Rs. in Crore	
	As at 31st March, 2012	As at 31st March, 2011
(a) Provision for employee benefits	14.30	7.06
(b) Provision for taxation (net of advance payment of tax of Rs. 353.07 crore : 31.03.2011 Rs. 265.38 crore)	1.48	6.98
(c) Proposed Dividend	62.47	49.97
(d) Tax on Proposed Dividend	10.13	8.11
	88.38	72.12

Notes Forming Part of Financial Statements (Contd.)

NOTE 11 - TANGIBLE ASSETS		GROSS BLOCK AT COST OR VALUATION						DEPRECIATION / AMORTISATION			NET BLOCK	
		As at 1st April, 2011	Additions / Adjustments	Withdrawals / Adjustments	As at 31st March, 2012	As at 1st April, 2011	Additions / Adjustments	Withdrawals / Adjustments	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011	
Land	839.64	1.04	-	840.68	-	-	-	-	840.68	839.64		
Freehold Leasehold	364.02	4.53	-	368.55	23.88	1.78	-	25.66	342.89	340.14		
Buildings and Structures	413.59	17.63	-	431.22	74.56	10.95	-	85.51	345.71	339.03		
Freehold Leasehold	251.08	0.26	-	251.34	197.42	4.23	-	201.65	49.69	53.66		
Plant and Equipment	5,399.26	224.49	23.31	5,600.44	2,377.09	204.34	19.35	2,562.08	3,038.36	3,022.17		
Distribution System	3,915.54	345.63	-	4,261.17	1,498.67	133.93	-	1,632.60	2,628.57	2,416.87		
Meters and Other Apparatus on Consumers' Premises	466.89	31.17	7.11	490.95	219.54	19.12	5.05	233.61	257.34	247.35		
River Tunnel	4.88	-	-	4.88	2.25	0.26	-	2.51	2.37	2.63		
Furniture and Fixtures	13.53	1.80	0.25	15.08	5.70	0.73	0.15	6.28	8.80	7.83		
Office Equipment	71.54	6.27	0.14	77.67	28.03	3.78	0.09	31.72	45.95	43.51		
Vehicles	15.33	1.17	0.64	15.86	9.29	1.89	0.41	10.77	5.09	6.04		
Railway Sidings	4.56	0.17	-	4.73	4.46	-	-	4.46	0.27	0.10		
Freehold Leasehold	34.70	-	-	34.70	14.19	1.09	-	15.28	19.42	20.51		
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	7,339.48		
	11,190.65	623.60	19.69	11,794.56	4,106.84	363.12	14.88	4,455.08	7,339.48			
NOTE 12 - INTANGIBLE ASSETS												
Brand / trademarks	150.00	-	-	150.00	15.00	7.50	-	22.50	127.50	135.00		
Computer Software	24.17	3.59	-	27.76	20.10	5.25	-	25.35	2.41	4.07		
Previous Year	174.17	3.59	-	177.76	35.10	12.75	-	47.85	129.91	139.07		
	173.19	0.98	-	174.17	24.29	10.81	-	35.10	139.07			

Notes Forming Part of Financial Statements (Contd.)



	As at 31st March, 2012	Rs. in Crore As at 31st March, 2011
NOTE 13 NON CURRENT INVESTMENTS		
A. Trade Investments - Unquoted		
(a) Investments in Equity Instruments		
13,000 Equity Shares of Integrated Coal Mining Limited of Rs. 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 Rs. 10 each	30.00	30.00
B. Other Investments - Unquoted		
Investments in Equity Instruments		
Subsidiary Companies		
2,46,38,103 Equity Shares of Spencer's Retail Limited of Rs. 10 each	40.80	40.80
8,50,10,000 (31.03.2011 : 6,00,50,000) Equity Shares of CESC Properties Limited of Rs. 10 each	85.01	60.05
9,00,000 (31.03.2011 : 50,000) Equity Shares of Nalanda Power Company Limited of Rs. 10 each	0.90	0.05
82,60,50,000 (31.03.2011 : 71,60,50,000) Equity Shares of CESC Infrastructure Limited of Rs. 10 each	826.05	716.05
72,35,800 (31.03.2011 : Nil) Equity Shares of Surya Vidyut Limited of Rs. 10 each	7.24	-
5,00,000 (31.03.2011 : Nil) Equity Shares of CESC Projects Limited of Rs. 10 each	0.50	-
1,10,00,000 (31.03.2011 : Nil) Equity Shares of Bantal Singapore Pte Limited of USD 1 each	49.24	-
Joint Venture		
24,29,800 (31.03.2011 : 5,000) Equity shares of Mahuagarhi Coal Company Private Ltd of Rs. 10 each	2.43	0.01
Others		
60,00,000 Equity shares of Crescent Power Limited of Rs. 10 each	6.00	6.00
Nil (31.03.2011 : 12,685.585) units of UTI-Floating rate fund of Rs. 1000 each	-	1.35
	1,048.18	854.32
C. All non - current investments are long term in nature.		

NOTE 14 LONG-TERM LOANS AND ADVANCES

Unsecured, considered good

(a) Capital advances	14.73	15.31
(b) Security Deposits	23.65	23.64
(c) Other Loans and advances (Includes advance for property acquisition, employee related loans etc).	31.16	38.14
	69.54	77.09

	As at 31st March, 2012	Rs. in Crore As at 31st March, 2011
NOTE 15 OTHER NON-CURRENT ASSETS		
(a) Deferred Payments	-	12.89
(b) Unamortised costs towards miscellaneous expenditure to the extend not written off or adjusted	5.01	5.72
	5.01	18.61

NOTE 16 CURRENT INVESTMENTS

Unquoted - Investments in Mutual Funds

3,83,382.045 (31.03.2011 : Nil) units of Rs. 1304.1821 each of IDFC Cash Fund - Super Inst Plan C - Growth	50.00	-
22,07,912.148 (31.03.2011 : Nil) units of Rs. 158.5208 each of ICICI Prudential Institutional Liquid Super Institutional Plan - Growth	35.00	-
Nil (31.03.2011 : 2,13,908.731) units of Rs. 1402.4673 each of DSP Black Rock Liquidity Fund - Inst Plan - Growth	-	30.00
Nil (31.03.2011 : 1,91,28,871.205) units of Rs. 15.6831 each of Birla Sunlife Cash Plus - Inst Premium - Growth	-	30.00
Nil (31.03.2011 : 1,55,592.979) units of Rs. 1606.7563 each of UTI Liquid Cash Plan Institutional - Growth Option	-	25.00
Nil (31.03.2011 : 4,19,55,460.084) units of Rs. 11.9174 each of IDFC Cash Fund - Super Inst Plan C - Growth	-	50.00
Nil (31.03.2011 : 1,90,249.866) units of Rs. 1051.2491 each of IDBI Liquid Fund - Growth	-	20.00
Nil (31.03.2011 : 127,04,801.399) units of Rs. 19.6776 each of HDFC Liquid Fund - Premium Plus Plan - Growth	-	25.00
Nil (31.03.2011 : 34,50,541.321) units of Rs. 144.9048 each of ICICI Prudential Institutional Liquid Super Institutional Plan - Growth	-	50.00
	85.00	230.00

NOTE 17 INVENTORIES

(a) Fuel (includes goods in transit Rs. 47.92 Crore, 31.3.2011 Rs. 37.36 Crore)	156.48	153.90
(b) Stores and Spares (includes goods in transit Rs. 1.02 Crore, 31.03.2011 Rs. 0.38 Crore)	138.22	140.54
	294.70	294.44

	As at 31st March, 2012	Rs. in Crore As at 31st March, 2011
NOTE 18 TRADE RECEIVABLES		
(a) Outstanding for a period exceeding six months		
Secured, considered good	25.32	2.39
Unsecured, considered good	83.79	19.29
Doubtful	4.10	4.10
	<u>113.21</u>	<u>25.78</u>
Less : Allowances for doubtful debt	(4.10)	(4.10)
	<u>109.11</u>	<u>21.68</u>
(b) Other receivables		
Secured, considered good	397.61	326.43
Unsecured, considered good	470.29	210.83
	<u>867.90</u>	<u>537.26</u>
	<u>977.01</u>	<u>558.94</u>
(c) Rs. Nil (31.03.2011 : Rs. 22,425) due by Directors of the Company on account of electricity bills.		
NOTE 19 CASH AND BANK BALANCES		
(a) Cash and Cash equivalents		
Balances with banks		
In Current Account	156.06	48.42
Bank deposits with original maturity upto 3 months (Refer Note (c) below)	389.90	455.00
Cheques, draft on hand	14.63	6.94
Cash on hand	3.96	3.79
	<u>564.55</u>	<u>514.15</u>
(b) Other bank balances		
Dividend Accounts	1.50	1.30
Bank deposits with original maturity more than 3 months (Refer Note (d) below)	293.79	323.39
	<u>859.84</u>	<u>838.84</u>
(c) Amount lying in deposit accounts with banks as at 31 March, 2012 includes Rs. 62.70 crore (31.03.2011 : Rs. 61.40 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 31 March, 2012 includes Rs. 23.00 crore (31.03.2011 : Rs. Nil) 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 Rs. 50.45 crore (31.03.2011 : 72.60 crore) having original maturity more than 12 months as on the reporting date.		

Notes forming part of Financial Statements (Contd.)



	As at 31st March, 2012	Rs. in Crore As at 31st March, 2011
NOTE 20 SHORT-TERM LOANS AND ADVANCES		
(a) Advances to related parties		
Unsecured, considered good		
Share application money to subsidiaries	1,068.45	962.11
Miscellaneous advance to subsidiaries	4.10	3.59
Miscellaneous advance to joint venture company	-	1.77
	<u>1,072.55</u>	<u>967.47</u>
(b) Other Advances		
Unsecured, considered good		
Share application money to bodies corporate	13.50	5.60
Advance for goods and services	39.92	29.22
Others*	95.50	88.46
	<u>148.92</u>	<u>123.28</u>
Others, considered doubtful	-	9.98
Less : Allowances for doubtful advances	-	(9.98)
	<u>-</u>	<u>-</u>
	<u>1,221.47</u>	<u>1,090.75</u>

* 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

(a) Deferred Payments	21.68	-
(b) Receivable towards claims and services rendered		
- considered good	7.31	8.41
- considered doubtful	-	2.01
Less : Allowances for doubtful receivables	-	(2.01)
	<u>7.31</u>	<u>8.41</u>
(c) Interest accrued on Bank Deposits	45.46	24.50
(d) Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted	0.72	0.72
	<u>75.17</u>	<u>33.63</u>

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 Rs. 0.69 crore as sales tax on meter rentals received during the year ended 31 March, 1993 and raised a demand of Rs. 0.36 crore on account of interest. Against the above demand, the Company had deposited a sum of Rs. 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 :

- i. Municipal Tax : Rs. 1.01 crore (31.03.2011 : Rs. 0.95 crore) in respect of certain properties, the rates of which are disputed by the Company.
- ii. Water Cess : Rs. Nil (31.03.2011 : Rs. 6.74 crore) - disputed by the Company.

- (c) Estimated amount of contracts remaining to be executed on capital account etc. and not provided for amount to Rs. 136.38 crore (31.03.2011 : Rs. 114.76 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 restrictions 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

	<u>2011-12</u>	<u>Rs. in Crore</u> 2010-11
NOTE 23 REVENUE FROM OPERATIONS		
(a) Earning from sale of electricity	4,604.98	4,094.21
(b) Other Operating Revenue		
Meter Rent	40.60	38.85
Delayed Payment Surcharge	8.99	10.35
Others	25.97	29.13
(includes provision written back - Rs. 11.99 crore ; 31.03.2011 Rs. Nil)		
	<u>4,680.54</u>	<u>4,172.54</u>

- (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, 2011 to January, 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 Rs. 358.93 crore (previous year : Rs. (154.36) crore) in respect of the cost of electrical energy purchased, fuel and related costs and 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 and advance against depreciation amounting to Rs. 79.35 crore (previous year : Rs. 71.20 crore) and Rs. 51.77 crore (previous year : Rs. 67.55 crore) respectively.

Notes forming part of Financial Statements (Contd.)



	2011-12	Rs. in Crore 2010-11
NOTE 24 OTHER INCOME		
(a) Interest Income	63.72	44.42
(b) Dividend Income	0.30	0.30
(c) Gain on sale of current investments (net)	14.23	26.71
(d) Gain on sale of long term Investments (net)	0.81	-
(e) Profit on sale of assets (net)	1.68	-
(f) Other Non-operating Income	20.57	2.68
	101.31	74.11

NOTE 25 COST OF FUEL

- (a) Cost of Fuel includes freight Rs. 230.98 crore (previous year : Rs. 190.88 crore)
- (b) Cost of Fuel includes loss of Rs. 4.55 crore (previous year : gain of Rs. 1.25 crore) due to exchange fluctuations.
- (c) Consumption of fuel :

		2011-12	2010-11
(a) Consumption of coal			
Quantity	Tonnes	56,74,416	57,31,095
Value	Rs. in Crore	1,729.85	1,387.05
(b) Consumption of oil			
Quantity	Kilolitres	5,444.19	8,261.08
Value	Rs. in Crore	32.12	41.25

	2011-12	Rs. in Crore 2010-11
NOTE 26 EMPLOYEE BENEFIT EXPENSES		
(A) 1. Salaries, wages and bonus	449.97	405.01
2. Contribution to provident and other funds	49.11	58.57
3. Employees' welfare expenses	26.57	18.24
	525.65	481.82
Less : Allocated to capital account etc.	54.69	49.11
	470.96	432.71

(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 Rs. 29.12 crore (previous year : Rs. 29.77 crore) on this count in the Profit and Loss Statement. 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.

NOTE 26 EMPLOYEE BENEFIT EXPENSES (Contd.)

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

Rs. in Crore

	For the year ended 31st March, 2012			For the year ended 31st March, 2011			For the year ended 31st March, 2010			For the year ended 31st March, 2009			For the year ended 31st March, 2008		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Present value of funded obligation	169.55	-	-	153.29	-	-	130.53	-	-	99.14	-	-	91.51	-	-
Fair Value of Plan Assets	160.74	-	-	151.86	-	-	111.01	-	-	106.42	-	-	100.19	-	-
	8.81	-	-	1.43	-	-	19.52	-	-	(7.28)	-	-	(8.68)	-	-
Present value of un-funded obligation	-	59.46	18.59	-	55.57	17.33	-	48.04	15.39	-	49.61	14.08	-	47.77	11.75
Unrecognised past service cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Liability/(Asset)	8.81	59.46	18.59	1.43	55.57	17.33	19.52	48.04	15.39	(7.28)	49.61	14.08	(8.68)	47.77	11.75

Experience Adjustment

Rs. in Crore

	2011-12			2010-11		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Experience (Gain) / Loss adjustment on plan liabilities	15.02	3.36	1.66	12.81	5.10	(0.44)
Experience (Gain) / Loss adjustment on plan assets	(0.20)	-	-	(0.33)	-	-
Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption	(4.92)	(1.92)	(1.04)	7.29	2.33	1.91
	9.90	1.44	0.62	19.77	7.43	1.47

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

Rs. in Crore

	For the year ended 31 March, 2012			For the year ended 31 March, 2011		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Current Service Cost	7.27	1.60	-	6.40	0.12	-
Interest Cost	12.24	4.49	1.41	10.25	3.83	1.25
Expected Return on Plan Assets	(12.52)	-	-	(10.46)	-	-
Actuarial loss / (gain)	9.9	1.44	0.62	19.77	7.43	1.47
Past Service Cost	-	-	-	-	-	-
Total	16.89	7.53	2.03	25.96	11.38	2.72

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

Rs. in Crore

	For the year ended 31 March, 2012			For the year ended 31 March, 2011		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Opening defined benefit obligation	153.29	55.57	17.33	130.53	48.04	15.39
Current Service Cost	7.27	1.60	-	6.40	0.12	-
Interest Cost	12.24	4.49	1.41	10.25	3.83	1.25
Plan Amendments	-	-	-	-	-	-
Actuarial loss / (gain)	10.09	1.44	0.62	20.10	7.43	1.47
Benefits paid	(13.34)	(3.64)	(0.77)	(13.99)	(3.85)	(0.78)
Closing Defined Benefit Obligation	169.55	59.46	18.59	153.29	55.57	17.33

Notes forming part of Financial Statements (Contd.)



NOTE 26 EMPLOYEE BENEFIT EXPENSES (Contd.)

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

Rs. in Crore

	For the year ended 31 March, 2012			For the year ended 31 March, 2011		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Opening fair value of Plan Assets	151.86	-	-	111.01	-	-
Expected Return on Plan Assets	12.52	-	-	10.46	-	-
Actual Company Contributions	9.50	-	-	44.05	-	-
Actuarial gain / (loss)	0.20	-	-	0.33	-	-
Benefits paid	(13.34)	-	-	(13.99)	-	-
Closing Fair Value on Plan Assets	160.74	-	-	151.86	-	-

Actual Return on Plan Assets

Rs. 12.72 crore

Rs 10.79 crore

Plan Assets consist of funds maintained with LIC, 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 :

Rs. in Crore

	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Increase	Decrease	Increase	Decrease
Effect on aggregate of interest cost and current service cost	-	-	-	-
Effect on defined benefit obligation	0.19	(0.13)*	0.17	(0.12)*

*in case of hospitalised treatment only.

Principal Actuarial Assumptions Used :

	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Discount Rates	8.75%	8.35%
Expected Return on Plan Assets	8.35%	8.30%
Rate of increase in medical cost trend	2.50%	2.50%
Mortality Rates	"LIC 1994-96 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 31 March, 2013 is not readily ascertainable and therefore not disclosed.

NOTE 27 FINANCE COSTS

	2011-12	2010-11
(a) Interest expense	295.14	284.21
(b) Other Borrowing Costs	4.91	7.02
(c) Applicable net loss on foreign currency transactions and translation	8.79	1.55
	308.84	292.78
Less : Allocated to capital and deferred payment account	33.03	17.31
	275.81	275.47

Notes forming part of Financial Statements (Contd.)



	2011-12	Rs. in Crore 2010-11
NOTE 28 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation / amortisation on tangible assets	382.10	363.12
Amortisation on intangible assets	12.75	10.81
	394.85	373.93
Less : Recoupment from revaluation reserve	105.37	106.56
	289.48	267.37

NOTE 29 OTHER EXPENSES

(a) Consumption of stores and spares	288.08	251.74
(b) Repairs		
Building	11.74	9.05
Plant and Machinery	62.39	53.54
Distribution System	98.01	51.53
Others	3.67	3.20
	175.81	117.32
(c) Insurance	6.86	6.31
(d) Rent (including lease rent Rs. 10.66 Crore ; previous year - Rs. 11.57 crore)	16.52	17.41
(e) Rates and taxes	8.20	8.27
(f) Bad debts / Advances made	25.69	19.34
(g) Allowances for doubtful debts / advances made	-	11.99
(h) Amortisation of miscellaneous expenditure	0.72	0.72
(i) Loss on sale / disposal of assets (net)	-	0.78
(j) Interest on Consumers' Security Deposits	64.60	59.58
(k) Miscellaneous expenses	226.92	199.65
	813.40	693.11
Less : Allocated to capital account	159.13	129.98
	654.27	563.13

(l) Miscellaneous Expenses in (k) above include research and development expense of Rs. 1.17 crore (previous year : Rs. 0.70 crore).

(m) Miscellaneous Expenses shown in (k) above include Auditors' Remuneration and Expenses :

	2011-12	2010-11
1. Audit fees	0.35	0.26
2. Tax Audit	0.04	0.04
3. Other Services	0.49	0.70
4. Reimbursement of expenses (including applicable service tax)	0.16	0.16

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

	2011-12		2010-11	
	Rs. in Crore	%	Rs. in Crore	%
Raw Material				
Imported	213.52	12.12	164.79	11.54
Indigenous	1,548.45	87.88	1,263.51	88.46
	1,761.97	100.00	1,428.30	100.00
Stores and Spare Parts				
Imported	-	-	-	-
Indigenous	128.95	100.00	121.75	100.00
	128.95	100.00	121.75	100.00

Notes forming part of Financial Statements (Contd.)



NOTE 30 The major components of Deferred Tax Assets / (Liabilities) based on the timing difference as at 31 March, 2012 are as under :

Rs. in Crore

	2011-12	2010-11
Liabilities		
Excess of tax depreciation over book depreciation	(709.48)	(677.57)
Assets		
Items covered under section 43 B	14.55	14.13
Others including items covered under section 35DDA, 35 DD	1.89	6.01
	(693.04)	(657.43)
Less : Recoverable	693.04	657.43
Deferred Tax Liabilities (Net)	-	-

NOTE 31 The Members of the Company at the Thirtieth Annual General Meeting held on 30 July 2008 and the Central Government vide its letter dated 20 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.

The Board of Directors in its meeting held on 13 June, 2012 has considered to seek the approval of the Members at the forthcoming Annual General Meeting and of the Central Government thereafter, for payment of commission to the non-executive directors for each of the years 2011-12 and 2012-13 at an increased rate not exceeding 3% per annum of the net profit of the Company as required under Section 310 of the said Act. Accordingly, the commission proposed for non-executive directors in excess of 1% of the net profits i.e. Rs. 13.95 crore, for the year 2011-12, is subject to the approval of the Members and of the Central Government.

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 Out of the outstanding foreign currency loans of Rs. 677.64 crore (31.03.2011 : Rs. 531.16 crore) disclosed in Note 5, loan balance amounting to Rs. 606.79 crore (31.03.2011 : Rs. 469.09 crore) have been fully hedged in Indian Rupee and Rs. 70.85 crore (31.03.2011 : Rs. 62.07 crore) represents sum restated at year end exchange rate in respect of underlying contractual obligations in United States Dollar. Trade Payables include Rs. 76.60 crore (31.03.2011 : Rs. 19.63 crore) representing amount payable in United States Dollar restated at year end exchange rate 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 Rs. 8.93 crore (previous year : Rs. 9.77 crore) and Rs. 2.27 crore (previous year : Rs. 10.47 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	2011-12	2010-11
Profit After Tax (Rs. in Crore) (A)	554.31	488.40
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 Rs. 10/- = [(A) / (B)] (Rs.)	44.37	39.09

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 Haldia Energy Limited (till 20th December, 2011) and thereafter Subsidiary of CESC Infrastructure Limited.
Surya Vidyut Limited	Subsidiary of Haldia Energy Limited (till 20th December, 2011) and thereafter Subsidiary of CESC Limited.
Nalanda Power Company Limited	Subsidiary Company
CESC Projects Limited	Subsidiary Company (w.e.f 13th June, 2011)
Bantal Singapore Pte. Limited	Subsidiary Company (w.e.f 30th May, 2011)
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 31 March, 2012 in the assets, liabilities and expenses of the joint venture are Rs. 2.27 crore (31 March, 2011 : Rs. 1.65 crore), Rs. 0.00 crore (31 March, 2011 : Rs. 0.01 crore) and Rs. 0.03 crore (previous year : Rs. 0.09 crore) respectively.

Notes forming part of Financial Statements (Contd.)

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

(Rs. in Crore)

Nature of Transactions	Subsidiaries		Joint Venture		Key Management Personnel		Total	
	31- Mar -12	31- Mar -11	31- Mar -12	31- Mar -11	31- Mar -12	31- Mar -11	31- Mar -12	31- Mar -11
Acquisition of Investment								
- CESC Infrastructure Limited	110.00	716.05					110.00	716.05
- CESC Properties Limited	24.96	60.00					24.96	60.00
- Nalanda Power Company Limited	0.85	-					0.85	-
- Surya Vidyut Limited	7.24	-					7.24	-
(includes shares of Rs. 4.05 crore and advance for share subscription of Rs. 0.19 crore purchased during the year from Haldia Energy Limited)							-	-
- CESC Projects Limited	0.50	-					0.50	-
- Bantal Singapore Pte Limited	49.24	-					49.24	-
- Mahuagarhi Coal Company Pvt. Ltd.			2.43	-			2.43	-
Sale of investment of Haldia Energy Limited to CESC Infrastructure Limited	-	350.31					-	350.31
Advance for Share Subscription								
- Spencer's Retail Limited (*)	108.15	192.85					108.15	192.85
- CESC Properties Limited (net of refund of Rs. 90 crore; previous year - Rs. Nil)	24.00	19.00					24.00	19.00
- CESC Infrastructure Limited	110.00	-					110.00	-
- Surya Vidyut Limited (net of refund of Rs. 10 crore; previous year - Rs. Nil)	3.00	-					3.00	-
- Nalanda Power Company Limited	-	0.15					-	0.15
- CESC Projects Limited	0.45	-					0.45	-
- Mahuagarhi Coal Company Pvt. Ltd. (*) (net of refund of Rs. 360.50 crore; previous year - Rs. 350 crore).			0.65	0.75			0.65	0.75
Refund of advance for share subscription from Haldia Energy Limited (net of advance for share subscription Rs. Nil; 31.3.2011 - Rs. 351.96 crore)	-	10.79					-	10.79
Expense Recoverable								
- Dhariwal Infrastructure Limited (net of recovery of Rs. 1.30 crore; previous year Rs. Nil)	(0.48)	0.67					(0.48)	0.67
- Haldia Energy Limited (net of recovery of Rs. 2.39 crore; previous year - Rs. Nil)	1.00	2.29					1.00	2.29
Income from sale / services								
- Spencer's Retail Limited	15.62	0.93					15.62	0.93
- Music World Retail Limited	0.23	0.16					0.23	0.16
Adjustments made-CESC Properties Ltd.	2.48	-					2.48	-
Remuneration					4.73	3.33	4.73	3.33
Outstanding Balance								
- Debit	1,078.85	968.19	-	1.77	-	-	1,078.85	969.96
- Credit	-	-	-	-	3.50	2.40	3.50	2.40

Notes forming part of Financial Statements (Contd.)



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

(Rs. in Crore)

	2011-12	2010-11
Fuel	190.99	158.85

NOTE 40 Expenditure in foreign currency :

(Rs. in Crore)

	2011-12	2010-11
Travelling	1.10	0.93
Technical services fees	0.81	0.09
Interest	1.41	1.28
Others	3.53	1.61
Total	6.85	3.91

NOTE 41 Dividend remitted in foreign currency :

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

(Rs. in Crore)

	2011-12			2010-11		
	No. of Shareholders	No. of Share held	Net amount remitted (Rs. in Crore)	No. of Shareholders	No. of Share held	Net amount remitted (Rs. in Crore)
Equity Dividend 2010/11	384	790,523	0.31	368	751,498	0.30

NOTE 42 Earnings in foreign exchange :

(Rs. in Crore)

	2011-12	2010-11
Income from Carbon Credit	-	2.38

NOTE 43 Quantitative information :

(Million kWh)

	2011-12	2010-11
(a) Total number of units generated during the year	8938	8756
(b) Total number of units consumed in Generating Stations	759	761
(c) Total number of units sent out	8179	7995
(d) Total number of units purchased during the year	1432	1523
(e) Total number of units through Unscheduled Interchange (Net)	8	-16
(f) Total number of units delivered	9619	9502
(g) Total number of units sold as per meter readings	8271	8135
(h) Total number of units sold to persons other than own consumers and WBSEDCL	126	108
(i) Total number of units consumed in Company's premises	20	19
(j) Total number of units sold to WBSEDCL	47	38

NOTE 44 The derated installed capacity of the Generating Stations of the Company (as per certification of technical expert) as on 31 March, 2012 was 1225000 kW (31 March, 2011 : 1225000 kW).

NOTE 45 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 wherever necessary.

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

Prabal Kr. Sarkar
Partner
Membership No. : 52340
Kolkata, 13 June, 2012

Subhasis Mitra
Vice President & Company Secretary

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

Ten Years at a Glance : 2003-2012



Rs. In crore

Year ended 31st March	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenue from operations and Other Income	2,243	2,416	2,387	2,589	2,577	2,930	3,200	3,449	4,247	4,782
Profit before Taxation	8	93	163	204	341	403	465	522	614	693
Taxation	1	7	13	20	40	48	55	89	126	139
Profit after Taxation	7	86	150	184	301	355	410	433	488	554
Proposed Dividend including tax thereon			21	23	35	58	58	58	58	73
EQUITY AND LIABILITIES										
Share Capital	62	67	75	83	85	126	126	126	126	126
Equity Warrant issued and subscribed				4						
Reserves and Surplus	1,747	1,309	1,464	3,606	3,730	4,461	4,757	5,071	5,444	5,886
Borrowings	2,993	2,609	2,167	1,910	1,798	1,629	2,398	2,812	2,643	2,600
Security Deposits	316	373	441	560	652	742	821	896	935	1,051
Advance against Depreciation					100	198	338	447	514	566
Other Current & Non -Current liabilities (excluding Short Term Borrowings)	742	847	755	751	983	1,214	1,687	1,729	2,070	2,498
	<u>5,860</u>	<u>5,205</u>	<u>4,902</u>	<u>6,914</u>	<u>7,348</u>	<u>8,370</u>	<u>10,127</u>	<u>11,081</u>	<u>11,732</u>	<u>12,727</u>
ASSETS										
Fixed Assets (less Depreciation)	4,457	4,035	3,843	5,566	5,556	5,829	6,882	7,511	7,735	8,091
Investments	11	30	31	31	241	570	310	679	1,084	1,133
Other Current & Non -Current Assets (Excluding Current Investments)	1,392	1,140	1,028	1,317	1,551	1,971	2,935	2,891	2,913	3,503
	<u>5,860</u>	<u>5,205</u>	<u>4,902</u>	<u>6,914</u>	<u>7,348</u>	<u>8,370</u>	<u>10,127</u>	<u>11,081</u>	<u>11,732</u>	<u>12,727</u>
Additions to Fixed Assets	108	146	146	161	232	302	694	1,954	625	638
Depreciation	323	296	292	254	158	168	175	206	267	289
Units sold (millions)	5,557	5,711	5,864	6,251	6,424	6,948	7,206	7,595	8,135	8,271
Units exported (millions)		7	160	418	458	441	302	158	146	173
System Maximum Demand (megawatts)	1,281	1,281	1,253	1,343	1,359	1,436	1,450	1,584	1,657	1,727
No. of Consumers (in Lakh)	18.77	19.49	20.19	20.96	21.83	22.08	22.94	23.84	24.89	25.86

Major Statistics : 2011 -- 2012



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	640 MVA
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132/33 KV Substations	Installed Capacity	2057 MVA
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Distribution Stations	Number of Stations	98
	Transformer Capacity	2976 MVA

LT Substations	No. of AC Substations	6990
	Transformer Capacity	2316 MVA
	No. of DC Substations	
	DC Substations Capacity	

Distribution Network (Circuit KM.)

220 KV UG	6.94 Ckt. Km.
220 KV OH	172.0 Ckt. Km
132 KV UG	254.2 Ckt. Km.
132 KV OH	81.0 Ckt. Km.
33 KV UG	1210.7 Ckt.Km.
33 KV OH	92.0 Ckt.Km.
20 KV UG	50.0 Ckt.Km.

HT Distribution	11 & 6 KV UG	5335 Ckt.Km.
	11 & 6 KV OH	87.0 Ckt.Km.
	3.3 KV UG	21.0 Ckt.Km.

LT Distribution	UG	6643 Ckt.Km.
	OH	4731 Ckt.Km.

Additions During the Year

220/132/33 KV Substations	160.0 MVA	LT UG Mains	284.580 Ckt.Km.
132/33 KV Substations	125.0 MVA	LT OH Mains	126.260 Ckt.Km.
Distribution Stations	95.5 MVA	220 KV UG	0.206 Ckt.Km.
LTAC Substations	125.95 MVA	132 KV UG	11.740 Ckt.Km.
No. of LT Services	18103 Nos	33 KV UG	44.668 Ckt.Km.
No. of HT Services	57 Nos	11KV UG	64.500 Ckt.Km.
		6 KV UG	320.800 Ckt.Km.

Abbreviations : MW - Megawatt, MVA - Megavoltampere, KV - Kilovolt, UG - Underground, OH - Overhead, Ckt. Km. - Circuit Kilometre.

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CESC LIMITED THE BOARD OF DIRECTORS OF CESC LIMITED

1. We have audited the attached consolidated Balance Sheet of CESC Limited (the "Company") and 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) as at 31st March, 2012, the related consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated 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. We did not audit the financial statements of 10 subsidiaries and a jointly controlled entity included in the consolidated financial statements, which constitute total assets of Rs.3,711.07 crore and net assets of Rs.591.88 crore as at 31st March, 2012, total revenue of Rs.1,257.33 crore, net loss of Rs.301.81 crore and net cash flows amounting to Rs.99.81 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.
4. 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 recognition of net deferred tax asset (DTA) of Rs.32,154.69 lakhs (Rs.32,154.69 lakhs) in the accounts up to 31 March, 2011 based on the future profitability projections made by the management. The Company has not recognized DTA of Rs.7,920.15 lakhs for the current year as a matter of prudence. However, we are unable to express any opinion on the above projections and their consequent impact, if any, on such Deferred Tax Asset. This had also caused us to qualify our audit opinion on the financial statements relating to the preceding year.

Had the impact of above item been considered, there would be a loss of Rs.57,692.18 lakhs (after adjusting DTA of Rs.32,154.69 lakhs recognized upto 31st March,2011) as against the reported loss of Rs.25,537.49 lakhs and shareholder's funds would have been reduced by Rs.32,154.69 lakhs.
5. 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 sub-section 3C of Section 211 of the Companies Act, 1956.
6. 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 above, and to the best of our information and according to the explanations given to us, in our opinion, subject to our remarks in paragraph 4 above, the attached 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, 2012;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Prabal Kr. Sarkar
Partner
Membership No. 52340

Kolkata, 13 June 2012

Consolidated Balance Sheet as at 31st March, 2012



Rs. in Crore

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	125.60	125.60
Reserves and surplus	5	4,716.70	4,575.16
		4,842.30	4,700.76
Minority Interest		2.69	2.11
Non-current liabilities			
Long-term borrowings	6	4,300.73	2,899.18
Advance against Depreciation		566.03	514.26
Consumers' Security Deposit		1,050.90	934.81
Other long term liabilities	7	992.00	779.17
Long-term provisions	8	92.34	69.39
		7,002.00	5,196.81
Current liabilities			
Short-term borrowings	9	993.95	839.73
Trade Payables		404.08	382.13
Other current liabilities	10	1,446.09	1,015.74
Short-term provisions	11	95.67	70.06
		2,939.79	2,307.66
TOTAL		14,786.78	12,207.34
II. ASSETS			
Non Current Assets			
Fixed assets			
Tangible assets	12	7,914.52	7,701.36
Intangible assets	13	355.10	360.42
Capital work-in-progress		2,454.21	561.20
(Includes share of Joint Venture-Rs. 2.23 crore; 31st March, 2011 Rs. 1.46 crore)		10,723.83	8,622.98
Non-current investments	14	91.36	37.37
Deferred tax assets (net)	34	321.55	321.55
Long-term loans and advances	15	548.28	439.74
Other non-current assets	16	5.01	18.61
		11,690.03	9,440.25
Current Assets			
Current Investments	17	85.00	380.00
Inventories	18	407.74	407.90
Trade receivables	19	994.08	576.04
Cash and bank balances	20	1,343.25	1,229.11
Short-term loans and advances	21	194.61	138.55
Other Current Assets	22	72.07	35.49
		3,096.75	2,767.09
TOTAL		14,786.78	12,207.34

Notes forming part of Financial Statements

1 - 45

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, 13 June, 2012

Subhasis Mitra
Vice President & Company Secretary

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

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



Rs. in Crore

Particulars	Note No.	2011-12	2010-11
Revenue from operations	24	5,891.72	5,179.02
Other income	25	132.26	114.86
Total Revenue		6,023.98	5,293.88
Expenses			
Cost of Electrical Energy purchased for Power Business		636.05	665.42
Cost of materials consumed for Retail Business	26	2.57	0.53
Purchase of stock-in-trade for Retail Business		1,005.30	830.87
Changes in inventories of finished goods, stock-in-trade and work-in-progress for Retail Business	27	0.28	17.10
Cost of Fuel for Power Business	28	1,761.97	1,428.30
Employee benefit expenses	29	598.62	554.55
Finance costs	30	345.09	312.05
Depreciation and amortisation expenses	31	340.05	316.48
Other expenses	32	914.74	816.97
Total expenses		5,604.67	4,942.27
Profit before Taxation, Exceptional Items and Minority Interest		419.31	351.61
Exceptional Items	38	25.71	21.24
Profit before Taxation and Minority Interest		393.60	330.37
Tax expenses :			
Current		(149.15)	(128.21)
Deferred (net)		-	75.23
Profit after Taxation and Exceptional Items before Minority Interest		244.45	277.39
Minority Interest		1.43	0.99
Profit for the year - transferred to Surplus		245.88	278.38
Earnings per equity share (Face Value of Rs. 10 per share) :			
Basic and Diluted before Exceptional Items	35	21.74	23.98
Basic and Diluted after Exceptional Items		19.68	22.28
Notes forming part of Financial Statements	1 - 45		

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, 13 June, 2012

Subhasis Mitra
Vice President & Company Secretary

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

Consolidated Cash Flow Statement for the year ended 31st March, 2012



	Rs. in Crore	
	2011-12	2010-11
A. Cash flow from Operating Activities		
Profit before Exceptional Items and Taxation	419.31	351.61
Adjustments for :		
Depreciation and amortisation expenses	340.05	316.48
Loss on Sale / Disposal of Assets (net)	4.18	7.73
Gain on sale of current investments (net)	(22.65)	(30.75)
Gain on sale of long term investments	(0.81)	-
Dividend Income	(0.30)	(0.30)
Amortisation of Miscellaneous expenditure	0.72	0.72
Provision for Obsolete Stock	-	4.90
Allowances for doubtful debts, Store / Lease deposits / Advances made/Security deposit	1.68	14.46
Bad debts / Advances made	25.72	29.39
Fixed Assets written off	-	0.18
Interest Expense	332.43	298.77
Interest Income	(65.38)	(50.86)
Advance against depreciation	51.77	67.55
Loss on foreign currency transactions (net)	-	2.16
Provision for Lease equalisation	10.80	8.03
Filling Fees	0.33	2.34
Liability / Provision Written back	(15.09)	(3.77)
Operating Profit before Working Capital changes	1,082.76	1,018.64
Adjustment for :		
Trade and other receivables	(443.16)	(34.64)
Inventories	(3.72)	(40.33)
Trade and other payables	419.37	48.87
Cash Generated from Operations	1,055.25	992.54
Income Tax paid	(144.50)	(124.02)
Net cash flow from Operating Activities	910.75	868.52
B. Cash flow from Investing Activities		
Purchase of Fixed Assets / Capital Work-in-Progress	(2,451.93)	(1,215.20)
Sale of Fixed Assets	7.33	4.26
Purchase of long term investments	(47.90)	-
Sale of Current Investments (net)	340.53	50.76
Sale of Long Term Investments	2.16	-
Dividend received	0.30	0.30
Interest received	57.58	39.20
Advance for share subscription	(40.63)	(5.60)
Net cash used in Investing Activities	(2,132.56)	(1,126.28)

Consolidated Cash Flow Statement for the year ended 31st March, 2012



	Rs. in Crore	
	2011-12	2010-11
C. Cash flow from Financing Activities		
Issue of Share Capital	2.01	1.00
Proceeds from Long Term Borrowings (net of refinance loan)	2,089.29	795.00
Repayment of Long Term Borrowings	(388.92)	(366.25)
Repayment of Public Deposits	(0.11)	(0.45)
Net increase / (decrease) in Cash Credit facilities and other Short Term Borrowings	(56.97)	180.62
Capital Contributions and Advance received from Consumers	112.74	83.14
Interest paid	(364.21)	(316.16)
Dividends paid	(49.77)	(49.73)
Dividend tax paid	(8.11)	(8.30)
Net Cash flow from Financing Activities	1,335.95	318.87
Net Increase in cash and cash equivalents	114.14	61.11
Cash and Cash equivalents - Opening Balance	1,229.11	1,168.00
Cash and Cash equivalents - Closing Balance	1,343.25	1,229.11

Notes :

- 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 The Companies (Accounting Standards) Rules, 2006.
- Closing Balance of Cash and Cash equivalents represent "Cash and Bank balances" and includes Rs. 1.50 crore (31.3.2011 - Rs. 1.30 crore) lying in designated accounts with banks on account of unclaimed dividends which are not available for use by the Company, Rs. 85.70 crore (31.3.2011 - Rs. 61.40 crore) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto, Rs. 16.49 crore (31.3.2011 - Rs. 9.35 crore) pledged with banks against Bank Guarantee and Overdraft facilities with respect to one of the subsidiaries, Rs. Nil (31.3.2011- Rs. 0.14 crore) deposit pledged with Sales Tax Authorities with respect to another subsidiary and balance in Escrow account of Rs. 0.45 crore (31.3.2011 - Rs. 0.09 crore) with respect to another subsidiary.
- Previous year's figures have been regrouped / rearranged wherever necessary.

This is the Consolidated 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, 13 June, 2012

Subhasis Mitra
Vice President & Company Secretary

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

Notes forming part of Financial Statements



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 The Companies (Accounting Standards) 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, 2012	Percentage of ownership interest as at 31st March, 2011
1.	Spencer's Retail Limited (SRL)	India	94.71	94.72
2.	Music World Retail Limited (100% subsidiary of SRL)	India	94.71	94.72
3.	Au Bon Pain Café India Limited (80% subsidiary of SRL)	India	75.77	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) (100% subsidiary of HEL till 20th December, 2011 and 100% subsidiary of CIL w.e.f. 21st December, 2011)	India	100	100
9.	Surya Vidyut Limited (SVL) (100% subsidiary of HEL till 20th December, 2011 and 100% direct subsidiary of CESC Limited w.e.f. 21st December, 2011)	India	100	100
10.	Nalanda Power Company Limited	India	100	100
11.	CESC Projects Limited (w.e.f. 13th June, 2011)	India	100	-
12.	Bantal Singapore Pte Ltd. (w.e.f. 30th May, 2011)	Singapore	100	-

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, 2012 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 and the Accounting Standards notified under The Companies (Accounting Standards) Rules, 2006. 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).

(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. 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. 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. 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. 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 / Amortisation**

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 amortised over the unexpired period of the lease.

Cost of intangible assets, comprising software related expenditure, are amortised in three years, except in case of a subsidiary, where such assets amounting to Rs. 9.07 crore (Gross Block) as at 31st March, 2012 (previous year : Rs. 8.83 crore) are amortised over a period of six years. In respect of another subsidiary, such intangible assets amounting to Rs. 3.11 crore (Gross Block) as at 31st March, 2012 (previous year : Rs. 2.89 crore) are amortised over a period of 4 to 10 years. Trademarks and licences are amortised over a period of twenty years and nine to ten years respectively based on assessment of useful life.

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 – Rs. 450.57 crore, previous year : Rs. 408.90 crore). In case of other subsidiaries, depreciation on fixed assets (Gross Block – Rs. 101.09 crore, previous year : Rs. 91.63 crore) is provided on written down value method at the rates prescribed in Schedule XIV under the Companies Act, 1956.

(f) **Expenditure during construction**

Nine 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.

(g) **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.

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.

(h) **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.

(i) **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.

(j) **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. Foreign currency loans, availed of by the Parent on a fully hedged basis in Indian Rupee and where as per the terms of the underlying contracts no exchange fluctuation is on the Parent's account, are accounted for in the currencies in which such loans have been fully hedged.

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.

(k) **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 hire of meters 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.

(l) **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 the 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.

(m) **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, impact of which ascertained by way of actuarial valuation as at the year end. The Group, 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.

(n) **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 Rs. 1.52 crore (previous year : Rs. 1.46 crore) incurred in connection with the arrangement of borrowings are amortised over the period of borrowings for which these are incurred.

(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. 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.

(p) **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.

(q) **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.

		Rs. in Crore	
		As at 31st March, 2012	As at 31st March, 2011
NOTE 4	SHARE CAPITAL		
(a)	Authorised Share Capital 15,00,00,000 Equity Shares of Rs. 10/- each	150.00	150.00
(b)	Issued Capital 13,12,35,897 Equity Shares of Rs. 10/- each	131.24	131.24
(c)	Subscribed and paid up capital 12,49,35,925 Equity Shares of Rs. 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, 2012	As at 31st March, 2011
		Number of shares	Number of shares
		Amount	Amount
		Rs. In Crore	Rs. In Crore
	Opening and Closing Balance	12,49,35,925	12,49,35,925
		124.94	124.94
(f)	Terms / rights attached to equity shares :		
	<p>The Parent has only one class of equity shares having a par value of Rs. 10 per share fully paid up. Each holder of equity share is entitled to one vote per share. During the year ended 31st March, 2012 the amount of dividend per share recommended by the Board of Directors of the Parent as distributions to equity shareholders is Rs. 5 (31.03.2011 -Rs. 4) 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.</p>		
(g)	Details of shareholders holding more than 5% shares in the Parent	As at 31st March, 2012	As at 31st March, 2011
	Name of shareholder	Number of shares	% of holding
		Number of shares	% of holding
	Rainbow Investments Limited	3,10,58,414	25
	Universal Industrial Fund Limited	1,77,91,421	14
(h)	With respect to the Parent, 3,10,58,414 Equity Shares of Rs. 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.		

Notes forming part of Financial Statements (Contd.)



		Rs. in Crore	
		As at 31st March, 2012	As at 31st March, 2011
NOTE 5	RESERVES AND SURPLUS		
(a)	Capital contribution from consumer as at beginning of the year	576.37	525.50
	Add : Contribution during the year	70.01	50.87
		646.38	576.37
(b)	Capital Reserve on consolidation	37.72	37.72
(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	1,264.96	1,373.71
	Less : Withdrawal on account of depreciation on amount added on revaluation	105.37	106.56
		1,159.59	1,267.15
	Less : Withdrawal of the residual amount added on revaluation consequent to sale/disposal of revalued assets	3.82	2.19
		1,155.77	1,264.96
(f)	Fund for unforeseen exigencies at the beginning of the year	81.57	58.10
	Add : Transfer during the year from Surplus (Refer Note (i) below)	28.10	23.47
		109.67	81.57
(g)	Foreign Currency Translation Reserve	7.44	-
(h)	General Reserve / Surplus as at the beginning of the year	1,339.56	1,142.73
	Add : Profit for the year	245.88	278.38
	Less : Transfer to Fund for unforeseen exigencies	28.10	23.47
	Less : Proposed Dividend	62.47	49.97
	Less : Tax on Proposed Dividend	10.13	8.11
		1,484.74	1,339.56
		4,716.70	4,575.16
(i)	Amount transferred during the year to Fund for unforeseen exigencies in respect of the Parent to be invested as per the statute.		

	As at 31st March, 2012	Rs. in Crore As at 31st March, 2011
NOTE 6 LONG-TERM BORROWINGS		
(A) Secured		
Term Loans		
(1) Rupee Loans :		
(i) Banks	3,135.28	1,946.43
(ii) Financial Institutions	389.55	510.51
	<u>3,524.83</u>	<u>2,456.94</u>
(2) Foreign Currency Loans from banks	897.14	469.09
	<u>4,421.97</u>	<u>2,926.03</u>
(B) Unsecured		
(i) Banks	300.00	300.00
(ii) Floating Rate Notes	70.85	62.07
	<u>370.85</u>	<u>362.07</u>
	<u>4,792.82</u>	<u>3,288.10</u>
Less : Current maturities of long term borrowings transferred to Other Current Liabilities (Refer Note 10)	492.09	388.92
	<u>4,300.73</u>	<u>2,899.18</u>

(C) Nature of Security :

- Term loans in (A) above in respect of the Parent are secured by equitable mortgage / hypothecation of the fixed assets of the Parent including its land, buildings and other constructions thereon, plant and machinery etc. as a first charge and as a second charge, by hypothecation of the Parent'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 two Rupee Loans and one Foreign Currency Loan aggregating Rs. 397.50 crore (31st March, 2011 - Rs. Nil) is in process. User rights in respect of a freehold land having a book value of Rs. 68.95 crore have been offered for financial assistance availed of by a subsidiary to its lenders.
- The security for the term loans in respect of the parent in (A) above ranks pari passu inter se.
- Term loans amounting to Rs. 101.25 crore in (A)(1)(i) above in respect of one of the subsidiaries are 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 subsidiary 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 Rs. 26.25 crore is also secured by the unconditional and irrevocable Letter of Comfort from the Parent.
- Term Loan amounting to Rs. 100 crore in (A)(1)(i) above in respect of another subsidiary are secured by way of mortgage / hypothecation of current assets, all fixed assets (both present and future) of the subsidiary 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 is in process.
- Term Loan amounting to Rs. 840 crore in (A) (1)(i) above and Foreign Currency Loan amounting to Rs. 290.35 crore in respect of another subsidiary are secured with first charge by way of equitable mortgage / hypothecation of fixed assets of the subsidiary including its land, buildings and construction thereon, where exists, plant and machinery etc. and hypothecation of the subsidiary's current assets.
- Term Loan amounting to Rs. 517 crore in (A) (1)(i) above in respect of another subsidiary is secured with first charge by way of equitable mortgage / hypothecation of fixed assets of the subsidiary including its land, buildings and construction thereon, where exists, plant and machinery etc. and hypothecation of the subsidiary's current assets.

Notes forming part of Financial Statements (Contd.)



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

Rs. in Crore

Maturity Profile of Long Term Borrowings outstanding as at 31st March, 2012	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	6.91	65.17	79.88	151.96	151.96
Loans with residual maturity between 1 and 3 years	70.12	30.00	26.59	126.71	77.81
Loans with residual maturity between 3 and 5 years	300.00	–	50.29	350.29	9.56
Loans with residual maturity between 5 and 10 years	1,606.25	294.38	520.89	2,421.52	248.01
Loans with residual maturity beyond 10 years	1,452.00	–	290.34	1,742.34	4.75
Total	3,435.28	389.55	967.99	4,792.82	492.09

Interest rates on Rupee 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 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.

	As at 31st March, 2012	Rs. in Crore As at 31st March, 2011
NOTE 8 LONG TERM PROVISIONS		
Provision for employee benefits	92.34	69.39
	92.34	69.39

NOTE 9 SHORT TERM BORROWING

A. Secured

(i) Loans repayable on demand Overdraft from banks	432.76	374.73
(ii) Foreign Currency Loans Buyers Credit	211.19	–

B. Unsecured

Short term Loan from banks	350.00	465.00
	993.95	839.73

C. Nature of Security

- Overdraft facilities from banks in (A) (i) above in respect of the Parent are secured by hypothecation of the 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 a second charge by equitable mortgage / hypothecation of 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 Rs. 97.60 crore (31.3.2011 – Rs. 97.60 crore) is in process.
- The security for the overdraft facilities from banks in (A)(i) above ranks pari passu inter se.
- Foreign currency loans amounting to Rs. 211.19 crore in respect of one of the subsidiaries is secured with first charge by way of equitable mortgage / hypothecation of fixed assets of the subsidiary including its land, buildings and construction thereon, where exists, plant and machinery, etc and hypothecation of the subsidiary's current assets.

	As at 31st March, 2012	Rs. in Crore As at 31st March, 2011
NOTE 10 OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term borrowings (Refer Note 6)	492.09	388.92
(b) Interest accrued but not due on borrowings	33.97	27.37
(c) Interest accrued and due on borrowings	1.24	-
(d) Book overdraft from Banks	26.39	11.40
(e) Unclaimed dividend	1.50	1.30
(f) Unclaimed public deposit	0.51	0.62
(g) Liabilities on capital account	214.03	111.62
(h) Other payables	676.36	474.51
(i) Add : Share of Joint Venture (Refer Note 1c)	0.00	0.00
	1,446.09	1,015.74

(j) 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.

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

NOTE 11 SHORT TERM PROVISIONS

(a) Provision for employee benefits	16.44	8.03
(b) Provision for taxation (net of advance payment of tax of Rs. 361.43 crore ; 31.03.2011- Rs. 271.78 crore)	6.63	3.95
(c) Proposed Dividend	62.47	49.97
(d) Tax on Proposed Dividend	10.13	8.11
	95.67	70.06

Notes Forming Part Of Financial Statements (Contd.)

PARTICULARS		GROSS BLOCK AT COST OR VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
		As at 1st April, 2011	Additions / Adjustments	Withdrawals / Adjustments	As at 31st March, 2012	As at 1st April, 2011	Additions / Adjustments	Withdrawals / Adjustments	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Land	848.78	4.40	-	853.18	0.09	0.01	-	0.10	853.08	848.69	
Freehold Leasehold	450.04	5.06	2.24	452.86	26.78	2.93	0.50	29.21	423.65	423.26	
Building and Structures	414.19	18.90	-	433.09	74.70	12.24	-	86.94	346.15	339.49	
Freehold Leasehold	434.39	7.18	18.04	423.53	259.72	19.73	23.95	255.50	168.03	174.67	
Plant and Equipment	5,468.10	231.48	41.72	5,657.86	2,394.98	211.66	22.51	2,584.13	3,073.73	3,073.12	
Distribution System	3,915.54	345.63	-	4,261.17	1,498.67	133.93	-	1,632.60	2,628.57	2,416.87	
Meters and Other Apparatus on Consumers' Premises	466.89	31.17	7.11	490.95	219.54	19.12	5.05	233.61	257.34	247.35	
River Tunnel	4.88	-	-	4.88	2.25	0.26	-	2.51	2.37	2.63	
Furniture and Fixtures	110.75	23.93	20.62	114.06	35.49	15.90	6.58	44.81	69.25	75.26	
Office Equipment	142.65	12.95	2.21	153.39	69.97	18.12	1.46	86.63	66.76	72.68	
Vehicles	17.02	1.52	0.91	17.63	10.29	2.11	0.67	11.73	5.90	6.73	
Railway Sidings	4.56	0.17	-	4.73	4.46	-	-	4.46	0.27	0.10	
Freehold Leasehold	34.70	-	-	34.70	14.19	1.09	-	15.28	19.42	20.51	
Previous Year	12,312.49	682.39	92.85	12,902.03	4,611.13	437.10	60.72	4,987.51	7,914.52	7,701.36	
	11,700.00	670.84	58.35	12,312.49	4,218.65	416.76	24.28	4,611.13	7,701.36		

Note :

In respect of one of the subsidiaries, depreciation for the year includes Rs. 7.20 crore (previous year : Rs. 14.35 crore) being accelerated depreciation on certain movable items not in use from closed / disposed stores.

NOTE 13 - INTANGIBLE ASSETS		As at 31st March, 2012		As at 31st March, 2011	
Goodwill on Consolidation	314.18	-	-	-	314.18
Trademarks	32.00	-	3.20	1.60	27.20
Licence	9.68	0.19	1.49	0.98	7.40
Computer Software	33.95	3.88	0.04	6.79	6.32
Previous Year	389.81	4.07	0.04	9.37	355.10
	385.73	4.08	22.07	7.32	360.42

	As at 31st March, 2012	Rs. in Crore As at 31st March, 2011
NOTE 14 NON CURRENT INVESTMENTS		
A. Trade Investments - Unquoted		
(a) Investments in Equity Instruments		
13,000 Equity Shares of Integrated Coal Mining Limited of Rs. 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 Rs. 10 each	30.00	30.00
B. Other Investments - Unquoted		
Investments in Equity Instruments		
60,00,000 Equity Shares of Crescent Power Limited of Rs. 10 each	6.00	6.00
Investment in Mutual Fund		
Nil (31.03.2011 - 12,685.585) units of UTI-Floating rate fund of Rs. 1000 each	-	1.35
Others		
10,000 Equity Shares of Retailer's Association of India of Rs. 10 each	0.01	0.01
C. Other Investments - Quoted		
Investments in Equity Instruments		
1,21,95,122 (31.03.2011 - Nil) Equity Shares of Resource Generation Limited (Market Value: Rs. 31.00 crore)	55.34	-
	91.36	37.37
D. All non-current investments are long term in nature. No provision in respect of diminution in value of long term investments in certain quoted shares has been made in this account, since these are long term strategic investments and diminution is considered temporary in nature.		
NOTE 15 LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
(a) Capital advances	435.19	316.37
(b) Security Deposits	77.59	81.40
(c) Other Loans and advances (Includes advance for property acquisition, employee related loans etc.)	35.50	41.97
	548.28	439.74
NOTE 16 OTHER NON-CURRENT ASSETS		
(a) Deferred Payments	-	12.89
(b) Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted	5.01	5.72
	5.01	18.61

	As at 31st March, 2012	Rs. in Crore As at 31st March, 2011
NOTE 17 CURRENT INVESTMENTS		
Unquoted Investments in Mutual Funds		
3,83,382.045 (31.03.2011 - Nil) units of Rs. 1304.1821 each of IDFC Cash Fund - Super Inst Plan C - Growth	50.00	-
22,07,912.148 (31.03.2011 - Nil) units of Rs. 158.5208 each of ICICI Prudential Institutional Liquid Super Institutional Plan - Growth	35.00	-
Nil (31.03.2011 - 2,13,908.731) units of Rs. 1402.4673 each of DSP Black Rock Liquidity Fund - Inst Plan - Growth	-	30.00
Nil (31.03.2011 - 1,91,28,871.205) units of Rs. 15.6831 each of Birla Sunlife Cash Plus - Inst Premium - Growth	-	30.00
Nil (31.03.2011 - 1, 55,592.979) unit of Rs. 1606.7563 each of UTI Liquid Cash Plan Institutional - Growth Option	-	25.00
Nil (31.03.2011 - 4,19,55,460.084) units of Rs. 11.9174 each of IDFC Cash Fund - Super Inst Plan C - Growth	-	50.00
Nil (31.03.2011 - 1,90,249.866) units of Rs. 1051.2491 each of IDBI Liquid Fund - Growth	-	20.00
Nil (31.03.2011 - 42,008,334.454) units of Rs. 11.9024 each of IDFC Cash Fund-Super Inst Plan C - Growth	-	50.00
Nil (31.03.2011 - 311,185.9589) units of Rs. 1606.7563 each of UTI Liquid Fund Cash Plan-Inst-Growth Option	-	50.00
Nil (31.03.2011 - 3,454,751.735) units of Rs. 144.7282 each of ICICI Prudential Liquid Super Inst Plan - Growth	-	50.00
Nil (31.03.2011 - 127,04,801.399) units of Rs. 19.6776 each of HDFC Liquid Fund - Premium Plus Plan - Growth	-	25.00
Nil (31.03.2011 - 34,50,541.321) units of Rs. 144.9048 each of ICICI Prudential Institutional Liquid Super Institutional Plan - Growth	-	50.00
	85.00	380.00
NOTE 18 INVENTORIES		
(a) Raw Materials	0.19	0.12
(b) Work in Progress	0.03	0.02
(c) Finished Goods	0.03	0.02
(d) Traded Goods	123.00	123.30
(e) Fuel (includes goods in transit Rs. 47.92 crore ; 31st March, 2011- Rs. 37.36 crore)	156.48	153.90
(f) Stores and Spares (includes goods in transit Rs. 1.02 crore ; 31st March, 2011 - Rs. 0.38 crore)	138.22	140.54
(g) Packing Materials	2.20	2.41
	420.15	420.31
Less : Provision for obsolete stock of Traded Goods and Packing Materials	12.41	12.41
	407.74	407.90

	As at 31st March, 2012	Rs. in Crore As at 31st March, 2011
NOTE 19 TRADE RECEIVABLES		
(a) Outstanding for a period exceeding six months		
Secured, considered good	25.32	2.39
Unsecured, considered good	83.92	20.07
Doubtful	4.27	5.34
	<u>113.51</u>	<u>27.80</u>
Less : Allowances for doubtful debts	4.27	5.34
	<u>109.24</u>	<u>22.46</u>
(b) Other receivables		
Secured, considered good	397.61	326.43
Unsecured, considered good	487.23	227.15
	<u>884.84</u>	<u>553.58</u>
	<u>994.08</u>	<u>576.04</u>
NOTE 20 CASH AND BANK BALANCES		
(a) Cash and Cash equivalents		
Balance with banks		
In Current Accounts	469.90	270.83
Bank deposits with original maturity upto 3 months (Refer Note (d) below)	499.15	535.00
Cheques, drafts on hand	14.64	6.94
Cash on hand	7.18	6.16
	<u>990.87</u>	<u>818.93</u>
(b) Other bank balances		
Dividend Accounts	1.50	1.30
Bank deposits with original maturity more than 3 months (Refer Note (e) and (f) below)	333.89	399.11
Deposit Accounts (Refer note (g) below)	16.50	9.49
Escrow Account	0.45	0.09
	<u>352.34</u>	<u>409.99</u>
(c) Add : Share of Joint Venture	0.04	0.19
	<u>1,343.25</u>	<u>1,229.11</u>
(d) In respect of the Parent, amount lying in deposit accounts with banks as at 31st March, 2012 includes Rs. 62.70 crore (31 March 2011 : Rs. 61.40 crore) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.		
(e) In respect of the Parent, amount lying in deposit accounts with banks as at 31st March, 2012 includes Rs. 23.00 crore (31 March 2011 : Nil) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.		
(f) Bank deposits with original maturity more than 3 months under Other bank balances include Rs. 63.55 crore (31st March, 2011 - Rs. 72.60 crore) having original maturity more than 12 months as on the reporting date.		
(g) Includes Rs. 16.49 crore (31 March 2011 : Rs. 9.35 crore) pledged with banks against Bank Guarantee and Overdraft facilities with respect to one of the subsidiaries, Rs. Nil (31 March 2011 Rs. 0.14 crore) deposit pledged with Sales Tax Authorities with respect to the another subsidiary.		

	As at 31st March, 2012	Rs. in Crore As at 31st March, 2011
NOTE 21 SHORT-TERM LOANS AND ADVANCES		
Other Advances		
(Unsecured, considered good)		
Share Application money to bodies corporate	46.23	5.60
Advance for goods and services	42.32	32.11
Security deposit / advances	2.52	1.04
Others*	103.54	99.80
	<u>194.61</u>	<u>138.55</u>
(Unsecured, considered doubtful)		
Security deposit / advances	5.65	11.66
Advances recoverable	-	0.26
Others	-	9.98
Less : Allowances for doubtful advances	5.65	21.90
	<u>-</u>	<u>-</u>
	<u>194.61</u>	<u>138.55</u>

* 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

(a) Deferred Payments	21.68	-
(b) Receivable towards claims and services rendered		
- considered good	1.64	5.93
- considered doubtful	-	2.01
Less : Allowances for doubtful receivables	-	2.01
	<u>1.64</u>	<u>5.93</u>
(c) Others		
Insurance claim receivables	0.20	0.21
Interest accrued on deposits	47.83	28.63
(d) Unamortised costs towards miscellaneous expenditure to the extent not written off or adjusted	0.72	0.72
	<u>72.07</u>	<u>35.49</u>

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

(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 Rs. 0.69 crore as sales tax on meter rentals received during the year ended 31st March, 1993 and raised a demand of Rs. 0.36 crore on account of interest. Against the above demand, the Parent had deposited a sum of Rs. 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 :

- i) Municipal Tax : Rs. 1.01 crore (previous year : Rs. 0.95 crore) in respect of certain properties, the rates of which are disputed by the Parent.
- ii) Water Cess : Rs. Nil (previous year : Rs. 6.74 crore) - disputed by the Parent.
The future cash outflow in respect of above cannot be ascertained at this stage.

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

(d) 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 October 2011 directing the members of RAI to pay 50% of total service tax liability upto September 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 Rs. 4.60 crore and furnished a surety for Rs. 4.60 crore towards the 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 a subsidiary not acknowledged as debt Rs. 1.71 crore (previous year : Rs. 1.08 crore)

(e) Contingent Liability not provided for with respect to a Subsidiary :

Rs. in Crore

Particulars	31st March, 2012	31st March, 2011
- Sales tax demands under appeal	1.21	0.47
- Service tax demands	1.16	-
- Guarantee to ABP Corporation to discharge obligation, if any, in event of default	Not Quantified	Not Quantified

	2011-12	Rs. in Crore 2010-11
NOTE 24 REVENUE FROM OPERATIONS		
(a) Earnings from sale of electricity	4,603.74	4,094.21
(b) Earnings from sale of retail products (net of Excise Duty)	1,209.32	1,002.71
(c) Other Operating Revenue		
Meter Rent	40.60	38.85
Delayed Payment Surcharge	8.99	10.35
Others	29.07	32.90
(includes provision written back - Rs. 15.09 crore ; 31.03.2011 - Rs. 3.77 crore)		
	5,891.72	5,179.02

(d) 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, 2011 to January, 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 Rs. 358.93 crore (previous year : Rs. (154.36) crore) in respect of the cost of electrical energy purchased, fuel and related costs and 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 and advance against depreciation amounting to Rs. 79.35 crore (previous year : Rs. 71.20 crore) and Rs. 51.77 crore (previous year : Rs. 67.55 crore) respectively.

	2011-12	Rs. in Crore 2010-11
NOTE 25 OTHER INCOME		
(a) Interest Income	78.02	50.86
(b) Dividend Income	0.30	0.30
(c) Income from Recoveries and Services	33.09	27.97
(d) Gain on sale of current investments (net)	45.53	30.75
(e) Gain on sale of non-current investments (net)	0.81	-
(f) Profit on sale of assets (net)	1.68	-
(g) Other Non-operating Income	8.35	4.98
	167.78	114.86
Less : Allocated to capital account	35.52	-
	132.26	114.86

Notes forming part of Financial Statements (Contd.)



Rs. in Crore

NOTE 26 COST OF MATERIALS CONSUMED FOR RETAIL BUSINESS

	2011-12	2010-11
Opening Stock of Raw Material	0.12	0.07
Add : Purchases	2.64	0.58
Less : Closing stock of Raw Material	0.19	0.12
	<u>2.57</u>	<u>0.53</u>

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

(Increase) / decrease in stocks

Stock at the beginning of the year :

Finished Goods	0.02	0.01
Stock-in-trade	123.30	140.42
Work-in-progress	0.02	0.01
Total (A)	<u>123.34</u>	<u>140.44</u>

Less : Stock at the end of the year :

Finished Goods	0.03	0.02
Stock-in-trade	123.00	123.30
Work-in-progress	0.03	0.02
Total (B)	<u>123.06</u>	<u>123.34</u>

Decrease/(Increase) in stocks (A-B)	<u>0.28</u>	<u>17.10</u>
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NOTE 28 COST OF FUEL FOR POWER BUSINESS

- (a) Cost of Fuel includes freight Rs. 230.98 crore (previous year : Rs. 190.87 crore).
- (b) Cost of Fuel includes gain of Rs. 4.55 crore (previous year : gain of Rs. 1.25 crore) due to exchange fluctuations.

Notes forming part of Financial Statements (Contd.)



		Rs. in Crore	
		2011-12	2010-11
NOTE 29 EMPLOYEE BENEFIT EXPENSES			
(A)	1. Salaries, wages and bonus	576.17	523.42
	2. Contribution to provident and other funds	58.58	66.10
	3. Employees' welfare expenses	32.05	23.89
		666.80	613.41
Less : Allocated to capital account etc.		68.18	58.86
		598.62	554.55

(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 Rs. 36.14 crore (31 March, 2011 : Rs. 36.72 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 :

Rs. in Crore

	For the year ended 31st March, 2012			For the year ended 31st March, 2011			For the year ended 31st March, 2010			For the year ended 31st March, 2009		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Present value of funded obligation yet to be	172.71	-	-	155.35	-	-	132.76	-	-	101.12	-	-
Fair Value of Plan Assets	161.43	-	-	152.63	-	-	1117.13	-	-	107.13	-	-
Present value of un-funded obligation	11.28	-	-	2.72	-	-	15.63	-	-	(6.01)	-	-
Unrecognised past service cost	-	62.47	18.69	-	57.67	17.33	-	50.34	15.39	-	51.53	14.08
Net Liability/(Asset)	11.28	62.47	18.69	2.72	57.67	17.33	15.63	50.34	15.39	(6.01)	51.53	14.08

Experience Adjustment

Rs. in Crore

	For the year ended 31 March, 2012			For the year ended 31 March, 2011		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Experience (Gain) / Loss adjustment on plan liabilities	14.80	4.42	1.66	12.67	5.81	(0.44)
Experience (Gain) / Loss adjustment on plan assets	(0.17)	-	-	0.36	-	-
Experience (Gain) / Loss adjustment on plan liabilities due to change in assumption	(4.92)	(1.92)	(1.04)	(14.61)	2.32	1.91

NOTE 29 EMPLOYEE BENEFIT EXPENSES (Contd.)

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

Rs. in Crore

	For the year ended 31 March, 2012			For the year ended 31 March, 2011		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Current Service Cost	7.91	2.15	-	6.94	0.95	-
Interest Cost	12.39	4.60	1.41	10.42	3.94	1.25
Expected Return on Plan Assets	(12.58)	-	-	(10.52)	-	-
Actuarial loss / (gain)	10.79	3.28	0.62	19.44	8.16	1.47
Past Service Cost	-	-	-	-	-	-
Total	18.51	10.03	2.03	26.28	13.05	2.72

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

Rs. in Crore

	For the year ended 31 March, 2012			For the year ended 31 March, 2011		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Opening defined benefit obligation	155.35	57.67	17.33	132.76	50.35	15.39
Current Service Cost	7.91	2.15	-	6.94	0.95	-
Interest Cost	12.39	4.60	1.41	10.42	3.94	1.25
Plan Amendments	-	-	-	-	-	-
Actuarial loss / (gain)	11.00	3.28	0.62	19.77	8.15	1.47
Benefits paid	(13.94)	(5.23)	(0.77)	(14.54)	(5.72)	(0.78)
Closing Defined Benefit Obligation	172.71	62.47	18.59	155.35	57.67	17.33

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

Rs. in Crore

	For the year ended 31 March, 2012			For the year ended 31 March, 2011		
	Gratuity	Leave Encashment	Medical	Gratuity	Leave Encashment	Medical
Opening fair value of Plan Assets	152.63	-	-	111.71	-	-
Expected Return on Plan Assets	12.58	-	-	10.52	-	-
Actual Company Contributions	9.95	-	-	44.61	-	-
Actuarial gain / (loss)	0.21	-	-	0.33	-	-
Benefits paid	(13.94)	-	-	(14.54)	-	-
Closing Fair Value on Plan Assets	161.43	-	-	152.63	-	-
Actual Return on Plan Assets	12.79	-	-	10.85	-	-

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

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

	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Increase	Decrease	Increase	Decrease
	Effect on defined benefit obligation	0.19	(0.13)*	0.17

*in case of hospitalised treatment only

NOTE 29 EMPLOYEE BENEFIT EXPENSES (Contd.)

Principal Actuarial Assumptions Used :

	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Discount Rates	8.50% to 8.75%	8.00% to 8.50%
Expected Return on Plan Assets	8.00% to 8.75%	8.30% to 8.50%
Rate of increase in medical cost trend	2.50%	2.50%
Mortality Rates	"LIC 1994-96 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, 2013 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.

	2011-12	Rs. in Crore 2010-11
NOTE 30 FINANCE COSTS		
(a) Interest expense	483.96	346.94
(b) Other Borrowing Costs	59.84	39.43
(c) Applicable net loss on foreign currency transactions and translation	15.54	1.55
	559.34	387.92
Less : Allocated to capital and deferred payments account	214.25	75.87
	345.09	312.05

NOTE 31 DEPRECIATION AND AMORTISATION EXPENSES

Depreciation / amortisation on tangible assets	437.06	406.37
Amortisation on intangible assets	9.37	17.66
	446.43	424.03
Less : Recoupment from revaluation reserve	105.37	106.57
Less : Allocated to capital account	1.01	0.98
	340.05	316.48

	2011-12	Rs. in Crore 2010-11
NOTE 32 OTHER EXPENSES		
(a) Power and Fuel	32.42	26.39
(b) Packing Materials Consumed	6.56	7.58
(c) Consumption of stores and spares	288.08	251.74
(d) Repairs		
Building	16.03	15.18
Plant and Machinery	62.48	53.59
Distribution System	98.01	51.53
Others	22.76	17.39
	199.28	137.69
(e) Insurance	11.81	10.63
(f) Rent	113.64	106.19
(g) Rates and taxes	12.08	17.09
(h) Bad debts / Advances made	25.72	29.39
(i) Provision for obsolete stock	-	4.90
(j) Allowances for doubtful debts, Store / Lease Deposits / advances made / Security Deposit	1.68	14.46
(k) Amortisation of miscellaneous expenditure	0.72	0.72
(l) Loss on sale / disposal of assets (net)	5.86	7.73
(m) Interest on Consumers' Security Deposit	64.60	59.58
(n) Miscellaneous expenses	330.54	281.32
	1,092.99	955.41
Add : Share of Joint Venture	0.03	0.09
	1,093.02	955.50
Less : Allocated to capital account	178.28	138.53
	914.74	816.97

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 Rs. 8.93 crore (previous year : Rs. 9.77 crore) and Rs. 2.27 crore (previous year : Rs. 10.47 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 :

Subsidiaries in retail business has taken retail stores 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 sub-leases. One of the subsidiaries has taken leased premises under non-cancellable operating lease for a period of 21 years. The details of lease rental are given below :

Operating Leases	(Rs. in Crore)	
	2011-12	2010-11
Lease payments for the year	83.16	79.19
Future minimum lease payments –		
Not later than one year	60.30	56.28
Later than one year but not later than five years	228.91	278.11
Later than five years	403.77	327.32

Rent includes Rs. 10.80 crore (previous year: Rs. 8.03 crore) with respect to one of the subsidiaries being lease rent, payable by them in future years, but accounted for during the year as lease equalization in terms of Accounting Standard -19 on 'Leases' as per Companies (Accounting Standard) Rules, 2006, which requires lease rental to be charged on a straight line basis over the lease term.

NOTE 34 The major components of Deferred Tax Assets / (Liabilities) based on the timing difference as at 31 March, 2012 are as under :

(Rs. in Crore)

	2011-12	2010-11
Liabilities		
Excess of tax depreciation over book depreciation	(691.60)	(677.57)
Assets		
Unabsorbed business depreciation	82.78	80.55
Unabsorbed business losses	199.42	199.42
Other Timing Differences	37.91	61.72
Net Deferred Tax Liability	(371.49)	(335.88)
Less : Recoverable deferred tax element of Parent	693.04	657.43
Net Deferred Tax Asset	321.55	321.55

Note:

In respect of one of the subsidiaries, net deferred tax asset of Rs. 321.55 crore had been accounted for upto 31st March, 2011, but as a matter of prudence no credit for Rs. 79.20 crore, being deferred tax asset for the current year, has been considered in the financial statements.

There are unabsorbed depreciation and carried forward losses as at the Balance Sheet date. However, based on future profitability projections, the Management is virtually certain that there would be sufficient taxable income in future to claim the above tax credit.

NOTE 35 Earnings per Share :

Computation of earnings per share

Particulars		2011-12	2010-11
Profit after Tax and before exceptional items (Rs. in crore)	(A)	271.59	299.62
Weighted Average number of shares for Earnings per share	(B)	12,49,35,925	12,49,35,925
Basic and Diluted Earnings per Shares of Rs. 10/- each before Exceptional items = [(A) / (B)] (Rs.)		21.74	23.98
Profit after Tax and after exceptional items (Rs. in crore)	(C)	245.88	278.38
Weighted Average number of shares for Earnings per Share	(D)	12,49,35,925	12,49,35,925
Basic and Diluted Earnings per Share of Rs. 10/- each after Exceptional items = [(C) / (D)] (Rs.)		19.68	22.28

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 30 July, 2008 and the Central Government vide its letter dated 20 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.

The Board of Directors in its meeting held on 13 June, 2012 has considered to seek the approval of the Members at the forthcoming Annual General Meeting and of the Central Government thereafter, for payment of commission to the non-executive directors for each of the years 2011-12 and 2012-13 at an increased rate not exceeding 3% per annum of the net profits of the Parent as required under Section 310 of the said Act. Accordingly, the commission proposed for non-executive directors in excess of 1% of the net profits i.e. Rs. 13.95 crore, for the year 2011-12, is subject to the approval of the Members and of the Central Government.

NOTE 38 Exceptional items of Rs. 25.71 crore (previous year - Rs. 21.24 crore) pertaining to certain subsidiaries represent 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 Consolidated Segment Reporting

(Rs. in crore)

	Power		Retail		Property		Total	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Sales Revenue from external customers	4,679.30	4,171.45	1,212.42	1,007.57	–	–	5,891.72	5,179.02
Other Segment Revenue	93.15	82.59	38.46	31.45	0.65	0.82	132.26	114.86
Total Segment Revenue	4,772.45	4,254.04	1,250.88	1,039.02	0.65	0.82	6,023.98	5,293.88
Segment Results Before Interest, Tax and Exceptional Items	958.86	894.77	(194.07)	(231.77)	(0.39)	0.66	764.40	663.66
Unallocated Finance Costs	–	–	–	–	–	–	(345.09)	(312.05)
Exceptional Items	–	–	(25.71)	(21.24)	–	–	(25.71)	(21.24)
Profit before Taxation and Minority Interests	–	–	–	–	–	–	393.60	330.37
Provision for Taxation	–	–	–	–	–	–	(149.15)	(52.98)
Profit after Taxation before Minority Interests	–	–	–	–	–	–	244.45	277.39
Segment Assets	13,493.71	10,928.17	460.26	523.84	197.07	119.60	14,151.05	11,571.61
Unallocated Assets	–	–	–	–	–	–	635.73	635.73
Total Assets	–	–	–	–	–	–	14,786.78	12,207.34
Segment Liability	3,886.79	3,159.50	250.42	206.27	11.18	6.92	4,148.39	3,372.69
Unallocated Liabilities	–	–	–	–	–	–	5,793.40	4,131.78
Total Liabilities	–	–	–	–	–	–	9,941.79	7,504.47
Capital Expenditure	2,472.45	1,023.91	15.27	28.74	91.75	58.22	2,579.47	1,110.87
Depreciation (including amortisation of Intangible assets)	285.52	261.86	54.47	54.59	0.06	0.03	340.05	316.48
Non Cash Expenditure other than depreciation	23.94	36.05	14.98	21.63	–	–	38.92	57.68

Notes :

a. 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

b. All the operations of the Group are mainly confined within India and has no other reportable geographical segment. The unallocated revenue, results and capital employed are Rs. Nil, Rs. (0.05) crore and Rs. 56.63 crore respectively.

c. The segment wise revenue, results, assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments.

NOTE 40 Related Party disclosure

Related Party and their relationship

Names of Related Parties	Nature of Relationship
Mr. S. Banerjee	Key Management Personnel, CESC Limited
Mahuagarhi Coal Company Private Limited	Joint Venture

Particulars of transactions :

(Rs. in crore)

Nature	Key Management Personnel	
	2011-12	2010-11
Director's Remuneration	4.73	3.33
Closing Balance :		
Debit	-	-
Credit	3.50	2.40

NOTE 41 In respect of the Parent out of the outstanding foreign currency loans of Rs. 677.64 crore (31.03.2011 : Rs. 531.16 crore) disclosed in Note 6, loan balance amounting to Rs. 606.79 crore (31.03.2011 : Rs. 469.09 crore) have been fully hedged in Indian Rupee and Rs. 70.85 crore (31.03.2011 : Rs. 62.07 crore) represents sum restated at year end exchange rate in respect of underlying contractual obligations in United States Dollar. Trade Payables include Rs. 76.60 crore (31.03.2011 : Rs. 19.63 crore) representing amount payable in United States Dollar restated at year end exchange rate which have not been hedged.

NOTE 42 Miscellaneous Expenses in Note 32 include research and development expense of Rs. 1.17 crore (previous year : Rs. 0.70 crore) in respect of the Parent.

NOTE 43 i) In respect of one of the subsidiaries, out of the outstanding Long Term Borrowings disclosed in Note 6, loan balance amounting to Rs. 176.64 crore have been contractually covered in Indian Rupee and Rs. 113.71 crore (31.03.2011 : Rs. Nil) 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 subsidiaries, Foreign Currency Loans under Short Term Borrowings disclosed in Note 9 of Rs. 211.19 crore (31.3.11 - Rs. Nil) represents sum restated at year end exchange rate in respect of underlying contractual obligations in United States Dollars.

NOTE 44 The Group was using pre-revised schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements 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 been become applicable to the Group. The Group has reclassified previous year's figures to conform to this year's classification alongwith other regrouping / rearrangement wherever necessary.

Notes Forming Part Of Financial Statements (Contd.)

NOTE 45 Information Regarding Subsidiary Companies :

(Rs. in Crore)

	Spencers' Retail Limited	Music World Retail Limited	Au Bau Pain Café India Limited	CEC Properties Limited	Metromark Green Commodities Private Limited	CEC Infrastructure Limited	Haldia Energy Limited	Dhariwal Infrastructure Limited	Nalanda Power Company Limited	Surya Vidyut Limited	CEC Projects Limited	Bantal Singapore Pte Limited
Issued and Subscribed Share Capital	26.01	5.00	30.00	85.01	0.02	826.05	712.96	459.77	0.90	7.24	0.50	56.68
Reserves	(916.05)	12.21	(16.54)	(2.45)	(0.44)	(2.29)	(18.15)	(21.07)	(0.41)	0.06	(0.02)	(0.05)
Total Assets	867.39	47.94	16.05	198.62	2.20	1,519.36	1,582.44	1,971.97	0.49	7.39	0.50	56.68
Total Liabilities	867.39	47.94	16.05	198.62	2.20	1,519.36	1,582.44	1,971.97	0.49	7.39	0.50	56.68
Investments (except in case of investments in the subsidiaries)	0.01	-	-	-	-	-	-	-	-	-	-	-
Turnover	1206.26	36.24	8.92	3.13	-	-	6.06	-	-	0.39	-	-
Profit / (loss) before taxation	(255.37)	(25.82)	(7.09)	(1.17)	(0.07)	(0.26)	(17.36)	(5.66)	(0.13)	0.31	(0.02)	(0.05)
Provision for taxation	-	-	-	-	-	-	-	10.03	-	0.12	-	-
Profit / (loss) after taxation	(255.37)	(25.82)	(7.09)	(1.17)	(0.07)	(0.26)	(17.36)	(15.69)	(0.13)	0.19	(0.02)	(0.05)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-

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

Prabal Kr. Sarkar
Partner
Membership No. : 52340
Kolkata, 13 June, 2012

Subhasis Mitra
Vice President & Company Secretary

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



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Website : www.cesc.co.in

Generating Stations**Budge Budge**

Vill. & P.O. – Pujali, P.S. Budge Budge
24 Parganas (S), Pin : 700 138
Phone : 2482 1709, 2482 2957

New Cossipore

28 Jheel Road, Kolkata 700 002
Phone : 2556 6695, 2556 6696

Southern

28 Garden Reach Road
Kolkata 700 024
Phone : 2469 6886, 2469 7557

Titagarh

B. T. Road, P.O. Khardah, Titagarh
24 Parganas(N), Pin : 700 119
Phone : 2501 1042, 2553 3392

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Secretarial Department
CESC House
Chowringhee Square
Kolkata 700 001
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For resident shareholders
2204 0754
For non-resident shareholders
(91) (033) 2204 0663
Fax : 2236 3868
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Kolkata 700 001
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2204 0300/6634 0300

Howrah

433/1 G.T. Road (N), Howrah 711 101
Phone : 2666 1667, 2666 6014
2666 9199

North

226 A & B APC Road, Kolkata 700 004
Phone : 2555 9815 (4 lines)

North Suburban

32 B. T. Road
(Opp. Sagar Dutta Hospital)
Kolkata 700 058
Phone : 2553 7583, 2583 9391

South

6 Mandeville Gardens
Kolkata 700 019
Phone : 2440 6470
2440 6116 (5 Lines)

South-West

P-18 Taratolla Road
Kolkata 700 088
Phone : 2401 4541 (5 Lines)

**In case of supply breakdown,
please contact**

**1912
44031912**

Customer Relations

CESC House
Chowringhee Square
Kolkata 700 001
Phone : 2237 3612
Telefax : 2237 3853

Consumer Grievance Cell

CESC House
Chowringhee Square
Kolkata 700 001
Telefax : 2236 5669