

# **HALDIA ENERGY LIMITED**

**ANNUAL REPORT AND ACCOUNTS  
2011-12**

## HALDIA ENERGY LIMITED

### DIRECTORS' REPORT

Your directors present their Seventeenth Annual Report together with the Audited Accounts for the year ended 31 March, 2012.

#### Financial Results

	<i>Rs.</i>	
	<b>2011-12</b>	<b>2010-11</b>
Loss for the year	(173,622,024)	(3,991,083)
Add : Loss brought forward from previous year	(7,992,747)	(4,001,664)
Loss carried forward to Balance Sheet	(181,614,771)	(7,992,747)

#### Operations

The Company has undertaken a Project for setting up a Thermal Power Generating Station of 2 X 300 MW coal fired units at Haldia, West Bengal. The Company is yet to commence commercial production. During the year, site enabling work was completed and orders for all major packages were placed. The contractors have mobilised at the site and civil construction work is currently in progress. The order for the railway infrastructure and raw water pipe lines have also been placed and work is in progress. The work on the 400kV transmission line, which will have 240 meters high towers for crossing the 2 kilometer stretch of river Hooghly, has also commenced.

#### Subsidiary Company

During the year, Company had transferred all its shareholding in Dhariwal Infrastructure Limited and Surya Vidyut Limited to CESC Infrastructure Limited and CESC Limited respectively. Hence, the said companies have ceased to be the Company's subsidiaries.

#### Dividend

In view of the loss during the year, your Directors do not recommend any dividend for the year under review.

## **Directors**

Mr. Probir Kumar Bose retires by rotation and, being eligible, offers himself for re-appointment.

## **Particulars of Employees**

The provisions of Section 217(2A) of the Companies Act, 1956 are not attracted during the year.

## **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

During the year under review, your Company has not commenced any commercial production and hence, not consumed energy of any significant level and, therefore, there was not much scope for taking any measures for energy conservation and for making any additional investment for reduction of energy consumption. There was no technology absorption during the year.

There has been no foreign exchange earning. The Foreign Exchange outgo during the year amounted to Rs.109.76 crore which included import of capital goods, technical services and traveling expenses.

## **Director's Responsibility Statement**

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

- i) in the presentation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the loss of the Company for that period;
- iii) proper and sufficient care had been taken for the maintenance of adequate records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts had been prepared on a going concern basis.

**Registered Office**

During the year, the Registered Office of the Company has been shifted to Barick Bhawan, 8, Chittaranjan Avenue, Kolkata-700072.

**Audit Committee**

The Audit Committee of the Board of Directors consists of Mr. S. Talukdar, Mr. B. Raychaudhuri and Mr. P. K. Bose.

**Auditors**

Messrs Batliboi, Purohit & Darbari, Chartered Accountants, the Auditors of the Company, retires at the ensuing Annual General Meeting of the Company and is eligible for re-appointment.

On behalf of the Board of Directors

Sd/- S. Talukdar

Sd/- R.Jha

**Director**

**Director**

Kolkata, 12 June, 2012

**Auditor's Report**

To the Members of

**HALDIA ENERGY LIMITED**

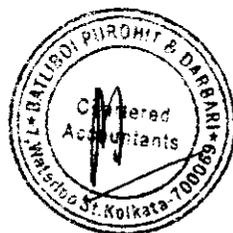
1. We have audited the attached Balance Sheet and cash flow statement of **Haldia Energy Limited** as at 31<sup>st</sup> March, 2012 and the related Profit & Loss Account as on that date, all of which have been signed under reference to this report. These financial statements are the responsibility of 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, and on the basis of such verification of the books of records as considered appropriate and available and according to the information and explanations given to us, we report that:
  - i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The fixed assets of the Company have been physically verified by the management, which in our opinion is reasonable having regard to size of the Company and nature of the assets.
  - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed of by the Company during the year.
  - ii) The Company does not have any inventory, accordingly, sub-clause (a), (b) and (c) of clause (ii) are not applicable.
  - iii) (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained u/s 301 of the Act. As such information in terms of clause (b), (c) and (d) are not required for disclosure.



- (b) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained u/s 301 of the Act. As such information in terms of clause (f) and (g) are not required for disclosure.
- iv) In our opinion there is an adequate internal control commensurate with the size of the company and the nature of its business. Further, on the basis of our examinations of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- v) In our opinion and according to the information and explanations given to us and based on the representations by the management, there is no contract or arrangement that needs to be entered in the register maintained under Section 301 of the Act. Accordingly sub clause (b) of Clause (v) of the Order is not applicable for the company for the current year.
- vi) The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii) The Company has an Internal Audit System commensurate with its size and nature of its business.
- viii) The Company's project for setting up a power plant is at its construction stage and the Company has not commenced commercial production. Hence maintenance of cost records under Section 209 (1) (d) of the Act is not applicable during the year."
- ix) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess and other material statutory dues, as applicable, with the appropriate authorities during the year. There were no arrears of statutory dues outstanding as at 31<sup>st</sup> March 2012, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of a dispute.
- x) In our opinion and based on the financial statement covered pursuant to this report, there are accumulated losses of the Company at the end of the financial year and the company has not incurred cash losses during the financial year nor in the immediate preceding financial year.
- xi) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.

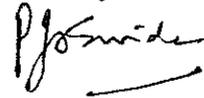


- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  - xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
  - xiv) In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments, hence disclosure not required.
  - xv) In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
  - xvi) In our opinion, and according to the information and explanations given to us, the company has not obtained any term loans during the year.
  - xvii) 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, we report that the company has not used funds raised on short term basis for long term purposes.
  - xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
  - xix) The company has not issued any debenture during the year and accordingly the question of creation of security or charge does not arise.
  - xx) The company has not raised any money by public issues during the year, hence disclosure not required.
  - xxi) During the course of our examinations 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.
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 purpose of our audit.
  - (b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books.
  - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.



- (d) In our opinion, the Balance Sheet, Profit and Loss Account 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 Companies Act, 1956.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - ii) In the case of the Profit and Loss Account, of the Loss for the year ended on 31<sup>st</sup> March, 2012; and;
  - iii) In the case of the Cash Flow Statement, of the cash flows for the period ended on 31<sup>st</sup> March, 2012.

For Batliboi, Purohit & Darbari  
Chartered Accountants  
Firm Registration Number: 303086E



(CA P.J. Bhide)  
Partner  
M. No. 004714

Kolkata

Dated: 12.6.2012



## Balance Sheet as at 31st March, 2012

Particulars	Note No	As at 31st March, 2012 Rs	As at 31st March, 2011 Rs
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	7,129,600,030	7,129,600,030
(b) Reserves and Surplus	2.2	(181,497,658)	(7,875,634)
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	2.3	8,170,000,000	3,000,000,000
(b) Other Long term liabilities		145,740,633	6,877,868
(c) Long term provisions	2.4	1,949,861	827,489
<b>(3) Current Liabilities</b>			
(a) Other current liabilities	2.5	559,306,031	32,866,734
(b) Short-term provisions	2.6	-	2,622,705
<b>Total</b>		<b>15,825,098,897</b>	<b>10,164,919,192</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	2.7	383,190,765	369,467,741
(ii) Capital work-in-progress	2.8	3,111,748,639	720,363,473
(b) Non-current investments	2.9	-	6,948,154,550
(d) Long term loans and advances	2.10	2,813,529,900	426,498,895
<b>(2) Current assets</b>			
(a) Cash and bank balances	2.11	2,506,290,963	1,574,795,078
(b) Short-term loans and advances	2.12	51,225,988	99,806,822
(c) Other Current Assets	2.13	6,959,112,642	25,832,633
<b>Total</b>		<b>15,825,098,897</b>	<b>10,164,919,192</b>

Significant Accounting Policies

1

Notes 1 - 2.24 form an integral part of the Accounts

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

For Batliboi, Purohit & Darbari  
Firm Registration Number: 303086E  
Chartered Accountants

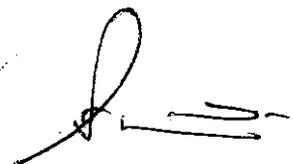


CA P.J. Bhide  
Partner  
Membership No.: 004714  
Place: Kolkata  
Date: 12-6-2012

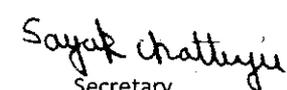


For and on behalf of the Board of directors

Director 

Director 

Manager 

Secretary 



**Haldia Energy Limited**

**Registered office: Barick Bhawan, 6th Floor, 8 Chittaranjan Avenue, Kolkata-700072**

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

Particulars	Note No	2011-12	2010-11
		Rs	Rs
Revenue form operations		-	-
Other Income	2.15	60,642,912	54,017,043
<b>Total Revenue</b>		<b>60,642,912</b>	<b>54,017,043</b>
<b>Expenses:</b>			
Employee benefit expense	2.16	7,045,433	2,839,406
Finance costs	2.17	204,119,181	36,237,510
Other expenses	2.18	23,100,322	11,881,210
<b>Total Expenses</b>		<b>234,264,936</b>	<b>50,958,126</b>
Profit before tax		(173,622,024)	3,058,917
Tax expenses:			7,050,000
Current			
Deferred (net)			
Profit/(Loss) for the year		(173,622,024)	(3,991,083)
Earnings per equity share:			
(Face Value of Rs. 10 per share)			
Basic and Diluted	2.20	(0.24)	(0.01)
Significant Accounting Policies	1		
Notes 1 - 2.24 form an integral part of the Accounts			

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

For Batliboi, Purohit & Darbari  
Firm Registration Number: 303086E  
Chartered Accountants

*P. J. Bhide*

CA P.J. Bhide -  
Partner  
Membership No.: 004714  
Place: Kolkata  
Date: 12.6.2012

*Demub*

For and on behalf of the Board of directors

*[Signature]*  
Director

*[Signature]*  
Director

*[Signature]*  
Manager

*Sayak Chatterjee*  
Secretary



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

Particulars	For the year 2011-12		For the Year 2010-11	
	Rs.	Rs.	Rs.	Rs.
<b>Cash Flow from Operating Activities</b>				
Net Profit/(Loss) before taxation	(173,622,024)		3,058,917	
Adjustment for :				
Interest Expense	204,119,181		36,237,510	
Interest Income	(1,498,009)		(37,205,411)	
Gain on Sale of Investments	(58,989,903)		(16,243,302)	
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>(29,990,755)</b>		<b>(14,152,286)</b>	
(Increase)/decrease in Loans and Advances	(2,385,144,810)		(43,985,701)	
Increase/(decrease) in Current Liabilities	122,363,959		25,889,172	
<b>Net Cash from Operating Activities</b>		<b>(2,292,771,606)</b>		<b>(32,248,816)</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	(19,062,819)		(12,425,387)	
Increase in Capital Work in Progress	(1,910,987,836)		(678,737,186)	
Sale/(Purchase) of Investments (Net)	118,464,646		(1,274,256,698)	
Disposal of Subsidiary	40,500,000			
Interest Received	29,472,681		37,205,411	
<b>Net Cash from Investing Activities</b>		<b>(1,741,613,328)</b>		<b>(1,928,213,861)</b>
<b>Cash Flow from Financing Activities</b>				
Issue of Share Capital	-		3,627,500,000	
Advance against Equity Shares received/(refunded)	-		(107,906,614)	
Increase/(decrease) in Secured Loan	5,170,000,000		-	
Increase/(decrease) in Unsecured Loan	-		-	
Interest Paid	(204,119,181)		(36,237,510)	
<b>Net Cash from Financing Activities</b>		<b>4,965,880,819</b>		<b>3,483,355,876</b>
<b>Net Increase/(decrease) of Cash &amp; Cash Equivalents</b>		<b>931,495,885</b>		<b>1,522,893,199</b>
<b>Cash &amp; Cash Equivalents - Opening Balance</b>		<b>1,574,795,078</b>		<b>51,901,879</b>
<b>Cash &amp; Cash Equivalents - Closing Balance</b>		<b>2,506,290,963</b>		<b>1,574,795,078</b>

Notes:

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

2. Disposal consideration for sale of shares in Subsidiaries  
 Cash Received  
 Balance Receivable

(Amount in Rs)  
 6,997,547,540  
 42,358,000  
 6,955,189,540

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

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

For Batliboi, Purohit & Darbari  
 Firm Registration Number - 303086E  
 Chartered Accountants

*[Signature]*

CA P.J. Bhide  
 Partner  
 Membership Number 004714

Place: Kolkata  
 Date: 12.6.2012

*[Signature]*



For and on behalf of the Board

*[Signature]*  
 Director

*[Signature]*  
 Director

*[Signature]*  
 Manager

*[Signature]*  
 Secretary

**Haldia Energy Limited**

**Registered Office: Barick Bhawan, 6th Floor, 8 Chittaranjan Avenue,  
Kolkata-700072**

**NOTE-1 – SIGNIFICANT ACCOUNTING POLICIES**

1) **Accounting Convention**

The financial statements have been prepared to comply in all material aspects with all the applicable accounting principles in India, including Accounting Standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act 1956. A summary of important accounting policies which have been applied consistently are set out below. During the year ended 31st March, 2012 the revised Schedule VI notified under the Companies Act, 1956 has been applicable for preparation and presentation of its financial statements and the above financial statements have been prepared in accordance with the relevant presentation requirement of the aforesaid revised schedule VI notified under Companies Act, 1956, with necessary re-classification for previous year's figures.

2) **Expenditure During Construction**

The Company is setting up a 2x300 MW Thermal Power Plant in Haldia near Kolkata in the state of West Bengal. The Company is yet to commence commercial production.

Indirect Expenses related to the project and incidental thereto are disclosed as "Miscellaneous Project Expenses" under Capital Work – in – Progress in note-2.8 and are to be capitalized subsequently.

Other Indirect expenses, which are not directly related to the Project, have been charged off to the Profit & Loss Statement.

3)

**(a) Tangible Assets**

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

**(b) Depreciation/Amortisation:**

Depreciation on tangible assets is provided on written-down value method at the rates specified in Schedule XIV to the Act. Leasehold Land and Leasehold Building are amortised on a straight-line basis over the unexpired period of the lease.

**(c) Impairment**

An impairment loss is recognized where applicable, when the carrying value of assets of cash generating unit exceeds its market value or value in use, whichever is higher.



**Haldia Energy Limited**

**Registered Office: Barick Bhawan, 6th Floor, 8 Chittaranjan Avenue,  
Kolkata-700072**

**4) Revenue Recognition**

The Company follows mercantile system of accounting and recognizes revenue as per AS-9 on "Revenue Recognition" issued by The Institute of Chartered Accountants of India.

**5) Employee Benefits**

Contribution to Provident Fund is accounted for on accrual basis and contribution to the fund is maintained with the Regional Provident Fund Commissioner, West Bengal. Provisions for Gratuity liability and Leave Encashment liability are made on the basis of actuarial valuation done at the end of the year by independent actuary.

**6) Taxes on Income**

Current Tax is determined as the amount of tax payable in respect of Taxable Income for the year in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax is recognized, subject to consideration of prudence, on timing difference, being the difference between Taxable Income and Accounting Income, which originate in one period and are capable of reversal in one or more subsequent year as per Accounting Standard AS-22.

**7) Foreign Currency Transaction**

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transaction.

**8) Investments**

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

**9) Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as a part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use.



**Note -2.1**

**SHARE CAPITAL**

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Rs.		Rs.	
Authorised Share Capital 900,000,000 Equity Shares of Rs. 10 each	9,000,000,000		9,000,000,000	
Issued, Subscribed and Paid - up Capital 712,960,003 Equity Shares of Rs. 10 each, fully paid up	7,129,600,030		7,129,600,030	

**(a) Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity is entitled to one vote per share. The company has not declared any dividend to its shareholders since inception. In the event of liquidation of the company the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No of Shares	Amount (Rs)	No of Shares	Amount (Rs)
Shares outstanding at the beginning of the year	712,960,003	7,129,600,030	350,210,003	3,502,100,030
Add: Equity Shares issued during the year	-	-	362,750,000	3,627,500,000
Shares outstanding at the end of the year	<u>712,960,003</u>	<u>7,129,600,030</u>	<u>712,960,003</u>	<u>7,129,600,030</u>

**(c) Details of shareholders holding more than 5% shares in the company**

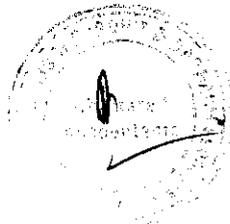
Name of the shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	% of holding	No. of shares	% of holding
CESC Infrastructure Limited	712,960,003	100	712,960,003	100

CESC Infrastructure Limited is the holding company of Haldia Energy Limited and percentage of shares held is stated above  
CESC Limited is the Ultimate Holding Company of Haldia Energy Limited.

**Note -2.2**

**RESERVES AND SURPLUS**

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Rs.		Rs.	
Capital Reserve	41		41	
General Reserve	117,072		117,072	
<b>Surplus</b>	(7,992,747)		(4,001,664)	
Debit Balance in the Profit and Loss Statement at the beginning of the year	(173,622,024)		(3,991,083)	
Add: (Loss) for the year	(181,614,771)		(7,992,747)	
Debit Balance in the Profit and Loss Statement at the end of the year	(181,497,658)		(7,875,634)	
<b>Total</b>				



**Note - 2.3**

**LONG TERM BORROWINGS**

Particulars	As at 31st March, 2012			As at 31st March, 2011		
	Rs.			Rs.		
	(I) Secured	(II) Unsecured	(III) Total	(I) Secured	(II) Unsecured	(III) Total
Term Loans						
From Banks	5,170,000,000	3,000,000,000	8,170,000,000	-	3,000,000,000	3,000,000,000
	5,170,000,000	3,000,000,000	8,170,000,000	-	3,000,000,000	3,000,000,000

**Nature of Security :**

(1) The Secured Term Loans and facilities in (I) are secured with first charge by way of equitable mortgage/hypothecation of fixed assets of the company including its land, buildings, construction thereon where exists, plant and machinery etc, and hypothecation of Company's current assets.

(2) The security for the above term loans in (I) ranks pari passu inter se.

Major terms of repayment of long term loans disclosed in (I) and (II) above

Maturity Profile	Balance Outstanding as on 31.03.2012 Rupee Term Loan from Banks Amount (Rs)
Loans with residual maturity of upto 1 year	-
Loans with residual maturity between 1 and 3 years	-
Loans with residual maturity between 3 and 5 years	3,000,000,000
Loans with residual maturity between 5 and 10 years	-
Loans with residual maturity beyond 10 years	5,170,000,000
<b>Total</b>	<b>8,170,000,000</b>
	Interest rates of loans are based on spread over Lenders' benchmark rate



## NOTE:2.4

## Long Term Provisions

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Provision for Employee Benefits	1,949,861	827,489
	<u>1,949,861</u>	<u>827,489</u>

## NOTE:2.5

## Other Current Liabilities

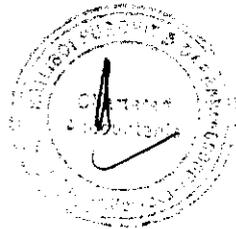
Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Liability on Capital Account	541,437,770	31,413,727
Other Payables	<u>17,868,261</u>	<u>1,453,007</u>
	<u>559,306,031</u>	<u>32,866,734</u>

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

## NOTE:2.6

## Short-term provisions

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Provision for Taxation {Net of advance payment of tax Previous Year : Rs. 11,083,018/-}		2,622,705
		<u>2,622,705</u>





Haldia Energy Limited

Registered office: Barick Bhawan, 6th Floor, 8 Chittaranjan Avenue, Kolkata-700072

**NOTE -2.8**

**CAPITAL WORK-IN-PROGRESS**

	As at 31st March, 2011 Rs.	Additions / Adjustments Rs.	As at 31st March, 2012 Rs.
<b>CAPITAL WORK - IN - PROGRESS PENDING ALLOCATION AS UNDER</b>			
Plant and Equipment	-	593,653,845	593,653,845
Railway Siding	9,848,520	32,403,340	42,251,860
Intake Water System	-	210,985,189	210,985,189
Power Evacuation System	5,017,257	781,085,879	786,103,136
Project Overheads	36,388,569	28,316,639	64,705,208
Buliding & Structures	1,350,728	23,428,615	24,779,343
Consultancy Services	135,509,695	51,927,573	187,437,268
Land Development and other site enablement activities	122,595,729	73,608,193	196,203,922
Finance Charge & Interest during Construction(Net)	335,976,419	472,862,038	808,838,457
Miscellaneous Project Expenses	59,683,364	117,774,060	177,457,424
Depreciation/ Amortisation	13,993,192	5,339,795	19,332,987
	<b>720,363,473</b>	<b>2,391,385,166</b>	<b>3,111,748,639</b>
Previous Year	272,466,222	447,897,250	720,363,473



Haldia Energy Limited

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**NOTE-2.9**

**NON CURRENT INVESTMENTS**

<u>Particulars</u>	<u>As at 31st March, 2012</u>	<u>As at 31st March, 2011</u>
	<u>Rs.</u>	<u>Rs.</u>
Other than trade Investments (Unquoted)		
Investments in equity Instruments of subsidiary companies		
38,00,15,455 Equity Shares of Dhariwal Infrastructure Limited of Rs 10 each ,fully paid	-	6,907,654,550
40,50,000 Equity Shares of Surya Vidyut Limited of Rs 10 each ,fully paid	-	40,500,000
	<u>-</u>	<u>6,948,154,550</u>

During the year, the Company has sold all its investments held in Dhariwal Infrastructure Limited and Surya Vidyut Limited to CESC Infrastructure Limited and CESC Limited respectively at cost.



**NOTE:2.10**

**Long term loans and advances**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(Unsecured, Considered good)		
Capital Advances	2,811,045,726	425,753,117
Security Deposit	1,559,603	238,546
Other Advances	924,571	507,232
	<u>2,813,529,900</u>	<u>426,498,895</u>

**NOTE 2.11**

**Cash and bank balances**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(a) Cash and cash equivalents		
Balance with Banks	2,075,094,507	767,785,417
Bank deposits with original maturity upto 3 months	300,000,000	800,000,000
Cash on hand	196,456	9,661
(b) Other bank balances		
-- Bank deposits with original maturity more than 3 months	131,000,000	7,000,000
	<u>2,506,290,963</u>	<u>1,574,795,078</u>

(c) Bank deposit with original maturity more than 3 months under Other bank balances includes Rs 131,000,000 (31.03.2011: Rs Nil) having original maturity more than 12 months as on reporting date.

**NOTE:2.12**

**Short Term Loans & Advances**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
(Unsecured, considered good)		
Advance Tax	644,504	-
(Net of provision of tax for Rs. 13,705,723/-)		
Other Advances	581,484	413,832
Advance for share subscription		
--- Dhariwal Infrastructure Limited	-	47,534,990
--- Surya Vidyut Limited	-	1,858,000
Advance to fellow subsidiary	50,000,000	50,000,000
	<u>51,225,988</u>	<u>99,806,822</u>

**NOTE:2.13**

**Other Current Assets**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	Rs.	Rs.
Receivable from holding company		
CESC Infrastructure Limited	6,955,189,540	-
Interest Accrued on Bank deposits	3,923,102	57,425
Interest Accrued on Intercompany deposits	-	25,775,208
	<u>6,959,112,642</u>	<u>25,832,633</u>

**NOTE:2.14**

**Contingent Liability and Commitment (to the extent not provided for)**

Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs 26,931,459,539/- (Previous year: Rs. 9,455,854,052/-)



**NOTE-2.15****OTHER INCOME**

Particulars	2011-12	2010-11
	Rs.	Rs.
Interest Income	8,403,500	37,205,411
Gain on sale of Current Investments (Net)	118,464,546	16,243,302
Other Non operating Income	155,000	568,330
	<u>127,023,146</u>	<u>54,017,043</u>
Less: Allocated to Capital work in Progress Refer note 2.8	66,380,234	-
	<u>60,642,912</u>	<u>54,017,043</u>

**NOTE-2.16****EMPLOYEE BENEFIT EXPENSES**

Particulars	2011-12	2010-11
	Rs.	Rs.
Salaries and wages	61,013,995	37,020,382
Contribution to Provident Fund and other fund	1,763,005	489,825
Staff Welfare Expenses	<u>1,295,511</u>	<u>761,363</u>
	<u>64,072,511</u>	<u>38,271,570</u>
Less: Allocated to Capital work in Progress Refer note 2.8	57,027,078	35,432,164
	<u>7,045,433</u>	<u>2,839,406</u>

**Employee Benefits**

The Company maintains a Provident Fund with the Regional Provident Fund authorities where the employees make their subscription and the Company makes its contribution

The Company also provides for gratuity and leave encashment benefit to the employees. Annual actuarial valuations at the end of the each year are carried out by independent actuary in compliance with Accounting Standard 15 (Revised 2005) on "Employee Benefits" as per Projected unit Credit Method.

Amount recognised in the Balance Sheet are as follows:

	Gratuity			Leave Encashment		
	31st March			31st March		
	2012	2011	2010	2012	2011	2010
Present value of non-funded obligation	547,166	124,321	15,374	1,402,695	703,168	426,604
Net Liability	<u>547,166</u>	<u>124,321</u>	<u>15,374</u>	<u>1,402,695</u>	<u>703,168</u>	<u>426,604</u>
Amount recognised in the Profit and Loss Statement and charged to Salaries, Wages and Bonus as follows:						
Current Service cost	197,828	106,133	15,374	55,212	253,877	43,724
Interest cost	9,946	1,230	-	55,287	34,128	-
Net actuarial gain/(loss) recognised during the year	<u>215,071</u>	<u>1,584</u>	-	<u>617,195</u>	<u>(11,441)</u>	<u>382,880</u>
Total	<u>422,845</u>	<u>108,947</u>	<u>15,374</u>	<u>727,694</u>	<u>276,564</u>	<u>426,604</u>

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

Opening defined benefit obligation	124,321	15,374	-	703,168	426,604	-
Current Service cost	197,828	106,133	15,374	55,212	253,877	73,724
Interest cost	9,946	1,230	-	55,287	34,128	-
Actuarial (Gain)/Loss	215,071	1,584	-	617,195	(11,441)	382,880
Benefits paid	-	-	-	(24,167)	-	-
Closing Defined Benefit Obligation	<u>547,166</u>	<u>124,321</u>	<u>15,374</u>	<u>1,406,695</u>	<u>703,168</u>	<u>456,604</u>

**Principal Actuarial Assumption Used:**

Discount Rates	8.75%	8.00%	8.00%	8.75%	8.00%	8.00%
Expected Salary increase rates	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Mortality Rates	LIC (1994-96) mortality tables					

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The above benefits are non-funded

The contribution expected to be made by the Company for the year ending 31 March 2013 cannot be readily ascertained and therefore not disclosed.



**Haldia Energy Limited****Registered office: Barick Bhawan, 6th Floor, 8 Chittaranjan Avenue, Kolkata-700072****NOTE-2.17****FINANCE COST**

<u>Particulars</u>	<u>2011-12</u>	<u>2010-11</u>
	<u>Rs.</u>	<u>Rs.</u>
Interest Expense	576,038,819	220,611,604
Other borrowing costs	167,322,634	64,697,221
	<u>743,361,453</u>	<u>285,308,825</u>
Less: Allocated to Capital work in Progress	<u>539,242,272</u>	<u>249,071,315</u>
	<u>204,119,181</u>	<u>36,237,510</u>

**NOTE-2.18****OTHER EXPENSES**

<u>Particulars</u>	<u>2011-12</u>	<u>2010-11</u>
	<u>Rs.</u>	<u>Rs.</u>
Rent	5,082,819	1,443,962
Power and fuel	865,813	204,313
Travelling and Conveyance Expenses	5,844,678	3,264,225
Communication Expenses	1,267,804	165,608
Security Expenses	7,668,828	2,985,220
Housekeeping Expenses	3,757,508	522,780
Insurance	44,353,473	-
Remuneration to Auditors		
--Statutory Audit	89,888	77,210
--Tax Audit	33,708	16,545
Internal Audit Fee	56,180	-
Rates and Taxes	-	2,392,370
Advertisements	1,695,539	2,832,510
General Charges	1,997,767	914,270
Fees to Other Authorities	3,237,876	602,050
Legal and Professional Charges	7,895,423	718,986
	<u>83,847,304</u>	<u>16,140,049</u>
Less: Allocated to Capital work in Progress Refer note 2.8	<u>60,746,982</u>	<u>4,258,839</u>
	<u>23,100,322</u>	<u>11,881,210</u>



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		<b>Rs.</b>
	<b>2011 – 12</b>	<b>2010 – 11</b>
<b>2.19 Expenditure in foreign currency</b>		
<b>a) Capital Goods</b>		
Equipments	1,069,902,857	-
Technical Services	27,367,632	-
<b>b) Travelling</b>	290,110	238,343
<b>2.20 Earnings per Share:</b>		

**Computation of earnings per share.**

Particulars	<b>2011-12</b>	<b>2010-11</b>
Profit / (Loss) After Tax (Rs.) (A)	(173,622,024)	(39,91,083)
Weighted Average Nos of Equity Shares for Basic and Diluted EPS (B)	712,960,003	351,203,839
<b>Basic and Diluted Earnings Per Share of Rs 10/-=[(A)/(B)] (Rs.)</b>	(0.24)	(0.01)

**2.21 Disclosure in respect of Related Parties:****Related Parties and their relationships**

Name of Related Parties	Nature of Relationship
CESC Infrastructure Limited	Direct Holding Company
CESC Limited	Ultimate Holding Company
Spencer's Retail Limited, CESC Properties Limited, Metromark Green Commodities Private Limited, Music World Retail Limited, Au Bon Pain Café India Limited, Nalanda Power Company Limited, Bantal Singapore Pte.Ltd (w.e.f. 30 <sup>th</sup> May, 2011), CESC Projects Limited (w.e.f. 13 <sup>th</sup> June, 2011)	Fellow Subsidiary Company
Dhariwal Infrastructure Limited	Subsidiary of Haldia Energy Limited (till 20 <sup>th</sup> December, 2011) and Subsidiary of CESC Infrastructure Limited (w.e.f 21 <sup>st</sup> December, 2011)
Surya Vidyut Limited	Subsidiary of Haldia Energy Limited (till 20 <sup>th</sup> December, 2011) and Subsidiary of CESC Limited (w.e.f 21 <sup>st</sup> December, 2011)
Mr. Sudipta Kumar Mukherjee	Key Management Personnel



**Haldia Energy Limited****Registered Office: Barick Bhawan, 6th Floor, 8 Chittaranjan Avenue,  
Kolkata-700072**

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

Type of Transaction	Ultimate Holding Company		Direct Holding Company		Subsidiaries/Fellow Subsidiaries		Key Management Personnel	
	31.03.12 (Rs)	31.03.11 (Rs)	31.03.12 (Rs)	31.03.11 (Rs)	31.03.12 (Rs)	31.03.11 (Rs)	31.03.12 (Rs)	31.03.11 (Rs)
Advance against Equity shares received.	-	3,519,593,386	-	3,627,500,000	-	-	-	-
Advance against Equity Shares refunded	-	(3,627,500,000)	-	-	-	-	-	-
Advance against Equity shares paid.	-	-	-	-	-	281,18,58,000	-	-
Issue of fully paid up Equity shares.	-	-	-	3,627,500,000	-	-	-	-
Subscription of fully paid up Equity shares.	-	-	-	-	-	279,05,00,000	-	-
Investments and Advances sold.	42,358,000	-	6,955,189,540	-	-	-	-	-
Contractual Remuneration	32,191,727	22,885,105	-	-	-	-	-	-
Other expenses.	1,703,371	-	-	-	-	-	-	-
Reimbursement for contractual remuneration and expenses made during the year.	23,942,717	-	-	-	-	-	-	-
Salary Paid- Sudipta Kumar Mukherjee.	-	-	-	-	-	-	2,226,000	1,964,795
Balance	-	-	-	-	50,000,000	50,000,000	-	-
Debit:	-	-	6,955,189,540	-	-	-	-	-
Credit:	32,837,486	22,885,105	-	-	-	-	-	-

**Advance to Subsidiaries/Fellow Subsidiaries**

Name of Company	31.03.2012 Amount (Rs)	31.03.2011 Amount (Rs)
CESC Properties Limited	50,000,000	50,000,000
Dhariwal Infrastructure Limited	-	47,534,990
Surya Vidyut Limited	-	1,858,000

2.22 The company is presently in the process of setting up of a power plant. The Company is yet to commence commercial production and does not operate in any other segment.

2.23 Since the company has not commenced power generation, Deferred Tax Asset has not been recognized.

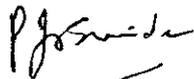


**Haldia Energy Limited**

**Registered Office: Barick Bhawan, 6th Floor, 8 Chittaranjan Avenue,  
Kolkata-700072**

- 2.24 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 confirm to this year's classification.

For Batliboi, Purohit & Darbari  
Firm Registration Number - 303086E  
Chartered Accountants



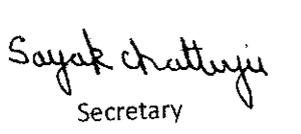
CA P.J. Bhide  
Partner  
Membership Number 004714

Place: Kolkata

Date: 12.6.2012



For and on behalf of the Board

  
Director  
  
Director  
  
Manager  
  
Secretary