

## **HALDIA ENERGY LIMITED**

### **DIRECTORS' REPORT**

Your directors present their Nineteenth Annual Report together with the Audited Accounts for the year ended 31 March, 2014.

#### **Financial Results**

*Rs.*

	<b>Rs</b>	<b>Rs</b>
	<b>2013-14</b>	<b>2012-13</b>
(Loss) / Profit before Taxation	(18,35,86,095)	(22,71,03,647)
Provision for Income Tax for the Current year	Nil	1,33,00,000
(Loss) / Profit after Tax	(18,35,86,095)	(240,403,647)
Balance Profit brought forward from previous year	<b>(42,20,18,418)</b>	<b>(181,614,771)</b>
Balance carried down to Balance Sheet	<b>(60,56,04,513)</b>	<b>(422,018,418)</b>

#### **Operations**

Company has executed a long term power purchase agreement with CESC Limited, its ultimate holding company, for selling entire power generated from the project. The power will be used by CESC to supply electricity in its distribution license region in Kolkata. The project is in advanced stages of construction and both units will be commissioned sequentially in 2014-15. Construction of the intake water pump house and laying of cross-country pipeline was completed in 2013-14. Work on railway infrastructure as well as 400kV transmission line, which will have 236 metre high towers for crossing a two-kilometre stretch of the river Hooghly, is in advanced stage of completion.

#### **Share Capital**

During the year under review the Company has issued 1,74,81,046 new equity shares to CESC Infrastructure Limited, its holding company. Pursuant to such issue the Issued and paid up Share capital of the Company increased from Rs 712,96,00,030/- to Rs 730,44,10,490/-.

### **Dividend**

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

### **Public Deposits**

The Company has neither received nor accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 ('the Act') and Rules made there under.

### **Directors**

The Board appointed Mr. J. Chakrabarty as Directors of the Company with effect from 27 January, 2014. Being the Additional Director, Mr. Chakrobarty retire at the forthcoming Annual General Meeting. A Notice received from a Member signifying their intention to propose Mr. Chakrabarty as Directors of the Company at the said Annual General Meeting.

Mr. B. Raychaudhuri and Mr. S. Talukdar retires by rotation and, being eligible, offers themselves for re-appointment.

### **Particulars of Employees**

The provisions of Section 217(2A) of Act 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. 945.53 crore (FY-2012-13 Rs.271.67 crore) which included import of capital goods, technical services and traveling expenses.

### **Director's Responsibility Statement**

Pursuant to Section 217(2AA) of the Act, 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 of 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.

### **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, retire at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

On behalf of the Board of Directors

Sd/- S. Talukdar

Sd/- R.Jha

**Director**

**Director**

Kolkata, 30 May, 2014

**BATLIBOI, PUROHIT & DARBARI**  
Chartered Accountants

7, Waterloo Street  
Kolkata – 700 069  
Phone No. 2248 3042

## **INDEPENDENT AUDITORS' REPORT**

To the Members of

### **HALDIA ENERGY LIMITED**

#### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of HALDIA ENERGY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **AUDITORS' RESPONSIBILITY**

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

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

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



## **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order

2. As required by section 227(3) of the Act, we report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

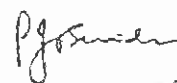
b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, dealt with by this Report are in agreement with the books of account.

d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act, read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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



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



Place: Kolkata  
Dated:

**The Annexure referred to in our report of even date to the members of Haldia Energy Limited ('the Company') for the year ended 31<sup>st</sup> March, 2014. We report that:**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no substantial fixed asset has been disposed during the year and therefore does not affect the going concern assumption.

2. The Company does not have any inventory and accordingly clause (ii)(a) to (ii)(c) of Paragraph 4 of the Companies (Auditors' Report) (Amendment) Order, 2004 is not applicable.

3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Act. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Act. Thus sub clauses (f) & (g) are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and payment for expenses. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, 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.

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Act.

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

8. 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.

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, income tax, sales tax, service tax, custom duty and professional tax 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, there are no dues of income tax which have not been deposited on account of any dispute.



10. In our opinion and based on the financial statement covered pursuant to this report, there are accumulated losses at the end of the financial year and the Company has incurred cash losses during the financial year and in the immediately preceding financial year.

11. According to the records of the Company examined by us and the information and explanations given to us, during the year 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 loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is 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. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

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. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company.

18. The Company has not made any preferential allotment of shares during the year.

19. The Company has not issued any debentures during the year and does not have any debentures outstanding at the year end.

20. The Company has not raised any money by public issue during the year.

21. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

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



Place: Kolkata  
Dated:

A handwritten signature in black ink, appearing to read 'P. J. Bhide'.

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

**Haldia Energy Limited**

Registered Office: Barick Bhawan, 5th Floor, B Chittaranjan Avenue, Kolkata-700072

**Balance Sheet as at 31st March, 2014**

Particulars	Note No	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share capital	2.1	7,304,410,490	7,129,600,030
(b) Reserves and Surplus	2.2	(605,487,400)	(421,901,305)
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	2.3	28,353,223,058	16,648,208,921
(b) Other long term liabilities	2.4	-	1,070,329,910
(c) Long term provisions	2.5	3,577,217	3,317,854
<b>(3) Current Liabilities</b>			
(a) Other current liabilities	2.6	5,740,564,651	819,725,270
(b) Short-term provisions	2.7	27,412	24,788
<b>Total</b>		<b>40,796,315,428</b>	<b>25,249,305,468</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	2.8	799,062,677	755,583,520
(ii) Capital work-in-progress	2.9	36,816,907,854	14,522,651,100
(b) Long term loans and advances	2.10	1,111,485,133	1,682,582,426
<b>(2) Current assets</b>			
(a) Cash and bank balances	2.11	1,586,077,427	2,509,150,385
(b) Short-term loans and advances	2.12	53,598,267	156,699,815
(c) Other current assets	2.13	429,184,070	5,622,638,222
<b>Total</b>		<b>40,796,315,428</b>	<b>25,249,305,468</b>

**Significant Accounting Policies**

Notes 1 - 2.27 form an integral part of the Accounts

1

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

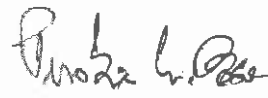
For Batiboi, Purohit & Darbari  
Firm Registration Number: 303086E  
Chartered Accountants

  
CA P.J. Bhide

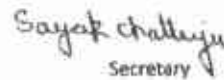
Partner  
Membership No.: 004714  
Place: Kolkata  
Date:



For and on behalf of the Board of Directors

  
Director

  
Director

  
Secretary

  
Manager



**Haldia Energy Limited**

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

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


Particulars	Note No	2013-14 ₹	2012-13 ₹
Revenue from operations		-	-
Other Income	2.15	60,000	30,000
<b>Total Revenue</b>		<b>60,000</b>	<b>30,000</b>
<b>Expenses</b>			
Employee benefit expenses	2.16	6,799,310	6,466,068
Finance costs	2.17	168,020,190	213,676,711
Depreciation and amortisation expenses	2.18	-	-
Other expenses	2.19	8,826,595	6,990,868
<b>Total Expenses</b>		<b>183,646,095</b>	<b>227,133,647</b>
<b>Profit before tax</b>		<b>(183,586,095)</b>	<b>(227,103,647)</b>
Tax expenses:			
Current		-	13,300,000
Deferred (net)		-	-
<b>Profit/(Loss) for the year</b>		<b>(183,586,095)</b>	<b>(240,403,647)</b>
Earnings per equity share: (Face Value of ₹ 10 per share)			
Basic and Diluted	2.23	(0.26)	(0.34)
Significant Accounting Policies	1		
Notes 1 - 2.27 form an integral part of the Accounts			

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

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

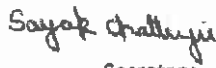
CA P.J. Bhude  
Partner  
Membership No.: 004714  
Place: Kolkata  
Date:

For and on behalf of the Board of Directors

  
Director

  
Director



  
Secretary

  
Manager

Cash Flow Statement for the year ended on 31st March 2014

Particulars	For the year 2013-14		For the year 2012-13	
	₹	₹	₹	₹
<b>Cash Flow from Operating Activities</b>				
Net Profit/(Loss) before taxation	(183,586,095)		(227,103,647)	
Adjustment for :				
Interest expense	168,020,190		213,676,711	
Interest income	-		-	
Gain on sale of investments	-		-	
Asset written off	20,437		-	
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>(15,545,468)</b>		<b>(13,426,936)</b>	
Receivables	5,870,502,238		2,375,957,833	
Payables	1,223,345,192		1,121,050,765	
<b>Net Cash from Operating Activities</b>		<b>7,078,301,962</b>		<b>3,483,581,662</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of fixed assets	(50,722,177)		(378,607,373)	
Purchase of capital work in progress	(19,328,142,405)		(10,410,326,326)	
Sale/(Purchase) of Investments (net)	54,354,144		230,968,056	
Interest received	13,903,277		8,998,194	
<b>Net Cash from investing Activities</b>		<b>(19,310,607,161)</b>		<b>(10,548,967,449)</b>
<b>Cash Flow from Financing Activities</b>				
Issue of share capital	174,810,460		-	
Advance against equity shares received/(refunded)	-		-	
Proceeds from secured loan	13,828,420,513		6,778,208,921	
Proceeds from unsecured loan	-		1,700,000,000	
Interest paid	(2,693,998,732)		(1,409,963,712)	
<b>Net Cash from Financing Activities</b>		<b>11,309,232,241</b>		<b>7,068,245,209</b>
<b>Net Increase/(decrease) of Cash &amp; Cash Equivalents</b>		<b>(923,072,958)</b>		<b>2,859,422</b>
<b>Cash &amp; Cash Equivalents - Opening Balance</b>		<b>2,509,150,385</b>		<b>2,506,290,963</b>
<b>Cash &amp; Cash Equivalents - Closing Balance</b>		<b>1,586,077,427</b>		<b>2,509,150,385</b>

Notes:

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

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

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

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

*P. J. Bhide*

CA P.J. Bhide  
Partner  
Membership Number 004714

Place: Kolkata  
Date:



For and on behalf of the Board

*Purohit L. Dasgupta*

Director

*Sayak Chatterjee*

Director

*S. S. Chatterjee*

Manager

*Sayak Chatterjee*

Secretary

## **Haldia Energy Limited**

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

### **NOTE-1 – SIGNIFICANT ACCOUNTING POLICIES**

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.

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 and Companies Act, 2013 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. The above financial statements have been prepared in accordance with the relevant presentation requirement of the revised schedule VI notified under Companies Act, 1956.

2) **Basis of Accounting**

The financial statements are prepared in accordance with the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

3) **Change In accounting policy**

Effective April 01, 2013, the Company has with retrospective effect changed its method of providing depreciation on fixed assets from the 'Written Down Value' method, as per the rates prescribed in Schedule XIV to the Companies Act, 1956 to the 'Straight Line' method, as per the rates prescribed in West Bengal Electricity Commission (Terms and Conditions of Tariff) Regulations, 2011. Since the tariff will be determined by the West Bengal Electricity Regulatory Commission, the management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of the time pattern in which the economic benefits will be derived from the use of these assets. Accordingly, the Company has de-recognized total depreciation charge of ₹ 3,166,199/- out of which ₹ 2,134,707/- relates to period upto March 31, 2013.

Had the Company continued to use the earlier method of depreciation ₹ 10,388,782/- would have been the current year's charge.

4) **Expenditure During Construction**

The Company is setting up a 2x300 MW Thermal Power Plant at 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 and are to be capitalized subsequently.

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

5)

(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 other than freehold land is provided on straight line method on a pro-rata basis at the rates specified in West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011. 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.

**6) Revenue Recognition**

The Company follows mercantile system of accounting and recognizes revenue as per AS-9 on "Revenue Recognition" as per Companies (Accounting Standards) Rules, 2006.

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

**7) 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.

**8) 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-22 for taxes on income.

**9) Foreign Currency Transaction**

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

**10) 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.

**11) 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 other than those dealt with in Note-1(9) above are capitalized as a part of costs of such assets upto the date, when such assets are ready for their intended use. The balance Finance Costs is charged off to revenue. Finance cost in case of foreign currency borrowings is accounted for as appropriate, duly considering the impact of the contracts entered into for managing risks thereof.



**Haldia Energy Limited**

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

**Note -2.1****SHARE CAPITAL**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	₹	₹
<b>Authorized Share Capital</b>		
900,000,000 (31.03.13:900,000,000) Equity Shares of ₹ 10 each	9,000,000,000	9,000,000,000
<b>Issued, Subscribed and Paid - up Capital</b>		
730,441,049 (31.03.13:712,960,003) Equity Shares of ₹ 10 each, fully paid up	7,304,410,490	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, 2014		As at 31st March, 2013	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
Shares outstanding at the beginning of the year	712,960,003	7,129,600,030	712,960,003	7,129,600,030
Add: Equity Shares issued during the year	17,481,046	174,810,460	-	-
Shares outstanding at the end of the year	730,441,049	7,304,410,490	712,960,003	7,129,600,030

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

Name of the shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	% of holding	No. of shares	% of holding
CESC Infrastructure Limited	730,441,049	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, 2014	As at 31st March, 2013
	₹	₹
Capital Reserve	41	41
General Reserve	117,072	117,072
<b>Surplus</b>		
Debit Balance in the Statement of Profit and Loss at the beginning of the year	(422,018,418)	(181,614,771)
Add: (Loss) for the year	(183,586,095)	(240,403,647)
Debit Balance in the Statement of Profit and Loss at the end of the year	(605,604,513)	(422,018,418)
<b>Total</b>	<b>(605,487,400)</b>	<b>(421,901,305)</b>



**Haldia Energy Limited**

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

**Note - 2.3****LONG TERM BORROWINGS**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
(A) Secured Term Loans		
(1) Rupee Loans :		
(I) Banks	16,350,000,000	8,670,000,000
(2) Foreign currency loans from banks	9,811,134,120	3,278,208,921
	26,161,134,120	11,948,208,921
(B) Unsecured Term Loans		
(1) Rupee Loans :		
(I) Banks	4,700,000,000	4,700,000,000
	4,700,000,000	4,700,000,000
	30,861,134,120	16,648,208,921
Less: Current Maturities of long term borrowings transferred to other current liabilities (Refer Note:2.6 )	2,507,911,062	-
	28,353,223,058	16,648,208,921

**Nature of Security :**

(1) The Term Loans in (I) above 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) above 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 31.03.2014	
	Rupee Term Loan from Banks	Foreign Currency Loans
Loans with residual maturity of upto 1 year	-	2,507,911,056
Loans with residual maturity between 1 and 3 years	-	5,488,523,064
Loans with residual maturity between 3 and 5 years	4,133,333,333	1,814,700,000
Loans with residual maturity between 5 and 10 years	566,666,667	-
Loans with residual maturity beyond 10 years	16,350,000,000	-
<b>Total</b>	<b>21,050,000,000</b>	<b>9,811,134,120</b>



**Haldia Energy Limited**

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

**NOTE:2.4****OTHER LONG TERM LIABILITIES**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Retention and other long term liabilities	-	1,070,329,910
		<u>1,070,329,910</u>

**NOTE:2.5****LONG TERM PROVISIONS**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Provision for employee benefits	3,577,217	3,317,854
	<u>3,577,217</u>	<u>3,317,854</u>

**NOTE:2.6****OTHER CURRENT LIABILITIES**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Current Maturities of long term borrowings transferred (Refer Note: 2.3)	2,507,911,062	-
Interest accrued but not due	188,219,828	52,050,531
Liability on capital account	3,032,602,423	754,500,554
Other payables	11,831,338	13,174,185
	<u>5,740,564,651</u>	<u>819,725,270</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:2.7****SHORT-TERM PROVISIONS**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Provision for employee benefits	27,412	24,788
	<u>27,412</u>	<u>24,788</u>



INDIE-2.8  
TANGIBLE ASSETS

PARTICULARS	GROSS BLOCK AT COST		DEPRECIATION/AMORTISATION		NET BLOCK			
	As at 1st April, 2013 ₹	Additions/ Adjustments ₹	Withdrawals/ Adjustments ₹	As at 1st April, 2013 ₹	Additions/ Adjustments ₹	Withdrawals/ Adjustments ₹	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Land-Freehold	1,542,617	-	-	1,542,617	-	-	1,542,617	1,542,617
Land-Leasehold	758,654,565	44,545,003	-	21,608,436	8,436,806	30,045,242	773,154,326	737,046,129
Building - Leasehold	11,687,981	-	-	259,732	129,866	389,598	11,298,383	11,428,249
Furniture & Fixtures	3,016,643	1,202,374	32,225	545,779	193,533	347,473	3,794,903	2,470,864
Office Equipment	1,974,121	2,442,255	21,570	503,586	189,746	275,950	3,977,424	1,470,535
Computers	3,525,920	1,639,047	-	1,900,794	245,225	1,340,493	4,359,441	1,625,126
Temporary Site Office	729,279	-	-	729,279	131,270	204,199	72,929	-
Car & Vans	-	893,498	-	893,498	30,844	-	862,654	-
<b>TOTAL</b>	<b>781,131,126</b>	<b>50,722,177</b>	<b>53,795</b>	<b>25,547,606</b>	<b>9,357,290</b>	<b>2,168,065</b>	<b>799,062,677</b>	<b>755,583,520</b>
Previous Year	402,523,753	378,607,373	-	19,332,988	6,214,618	-	755,583,520	-

\* Adjustments for the period includes ₹ 21,34,707/- (Previous Year : Rs Nil) relating to period upto 31st March, 2013 due to change in Accounting Policy (Refer Note - 1 (3)).





Haldia Energy Limited

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

**NOTE -2.9**

**CAPITAL WORK-IN-PROGRESS**

	As at 31st March, 2013 ₹	Additions / Adjustments ₹	As at 31st March, 2014 ₹
<b>CAPITAL WORK - IN - PROGRESS PENDING ALLOCATION AS UNDER</b>			
Plant and equipment	8,227,172,821	17,097,861,267	25,325,034,088
Railway siding	253,366,727	296,563,314	549,930,041
Intake water system	465,621,711	143,676,600	609,298,311
Power evacuation system	2,532,274,336	1,621,882,288	4,154,156,624
Project overheads	74,527,250	85,800,664	160,327,914
Building & structures	53,024,238	3,280,187	56,304,425
Consultancy services	276,267,833	111,624,550	387,892,383
Land development and other site enabling activities	246,970,942	53,790,815	300,761,757
Finance charge & interest during construction(net)	2,045,368,697	2,656,489,512	4,701,858,209
Miscellaneous project expenses	322,508,940	216,064,974	538,573,914
Depreciation/ amortisation	25,547,605	7,222,583	32,770,188
	<b>14,522,651,100</b>	<b>22,294,256,754</b>	<b>36,816,907,854</b>
Previous Year	3,111,748,639	11,410,902,461	14,522,651,100



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

**NOTE 2.10**

**LONG TERM LOANS AND ADVANCES**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
(Unsecured, considered good)		
Capital advances	1,107,423,592	1,680,044,751
Security deposit	1,978,549	1,887,797
Other advances	2,082,992	649,878
	<u>1,111,485,133</u>	<u>1,682,582,426</u>

**NOTE 2.11**

**CASH AND BANK BALANCES**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
(a) Cash and cash equivalents		
Balance with banks in current account	1,157,795,353	2,328,057,072
Bank deposits with original maturity upto 3 months	240,000,000	-
Cash in hand	136,760	93,313
(b) Other bank balances		
Bank deposits with original maturity more than 3 months [Refer note (c) below]	188,145,314	181,000,000
	<u>1,586,077,427</u>	<u>2,509,150,385</u>

(c) Bank deposit with original maturity more than 3 months under Other bank balances includes ₹ 40,000/- (31.03.2013: ₹ 70,00,000) having original maturity more than 12 months as on reporting date.



**Haldia Energy Limited**

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

**NOTE:2.12**

**SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	₹	₹
(Unsecured, considered good)		
Advance tax	-	105,701,001
Other advances	3,598,267	998,814
Advance to fellow subsidiary	50,000,000	50,000,000
	<u>53,598,267</u>	<u>156,699,815</u>

**NOTE:2.13**

**OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2014	As at 31st March, 2013
	₹	₹
Receivable from holding company CESC Infrastructure Limited		5,605,189,540
Receivable towards claims and services rendered - considered good	2,986,634	1,903,232
interest accrued on bank deposits	2,849,245	15,545,450
Deferred payment	423,348,191	-
	<u>429,184,070</u>	<u>5,622,638,222</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 ₹ 3,644,971,312 /- (Previous year: ₹ 17,286,782,852/-)



**Haldia Energy Limited**

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

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

Particulars	2013-14 ₹	2012-13 ₹
Interest income	16,752,522	23,007,960
Gain on sale of current Investments (Net)	54,354,144	230,968,056
Other non operating Income	60,000	30,000
	<u>71,166,666</u>	<u>254,006,016</u>
Less: Allocated to capital work In progress (Refer note 2.9)	71,106,666	253,976,016
	<u>60,000</u>	<u>30,000</u>

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

Particulars	2013-14 ₹	2012-13 ₹
Salaries and wages	116,654,686	91,764,809
Contribution to provident fund	2,124,228	3,343,901
Staff welfare expenses	2,077,287	1,288,008
	<u>120,856,201</u>	<u>96,396,718</u>
Less: Allocated to capital work in progress (Refer note 2.9)	114,056,891	89,930,650
	<u>6,799,310</u>	<u>6,466,068</u>



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

**NOTE-2.16 - CONTD.**  
**EMPLOYEE BENEFITS**

**Defined Contribution Plan**

The Company maintains a Provident Fund with the Regional Provident Fund authorities where contributions are made by the Company as well as by the employees. An amount of ₹ 81,722/- (31st March, 2013 ₹ 227,139/-) has been charged off to Statement of Profit and Loss.

**Defined Benefit Plan**

The Company also provides for gratuity and leave encashment benefit to the employees. Annual actuarial valuations at the end of 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:

	Amount in ₹									
	Gratuity					Leave Encashment				
	31st March					31st March				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Present value of non-funded obligation	1,044,086	914,628	547,166	124,321	15,374	2,560,543	2,428,014	1,402,695	703,168	426,604
Net Liability	1,044,086	914,628	547,166	124,321	15,374	2,560,543	2,428,014	1,402,695	703,168	426,604
Amount recognised in the Profit and Loss Statement and charged to										
Current Service cost	476,112	356,229	197,828	106,133	15,374	136,039	83,881	51,212	253,877	43,724
Interest cost	74,999	47,877	9,946	1,230	-	193,493	117,509	55,287	34,128	-
Net actuarial gain/(loss) recognised during the year	(421,653)	(36,644)	215,071	1,584	-	(60,305)	943,409	617,195	(11,441)	382,880
Total	129,458	367,462	422,845	108,947	15,374	269,227	1,144,799	723,694	276,564	426,604

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

Opening defined benefit obligation	914,628	547,166	124,321	15,374	-	2,428,014	1,402,695	703,168	426,604	-
Current Service cost	476,112	356,229	197,828	106,133	15,374	136,039	83,881	51,212	253,877	73,724
Interest cost	74,999	47,877	9,946	1,230	-	193,493	117,509	55,287	34,128	-
Actuarial (Gain)/Loss	(421,653)	(36,644)	215,071	1,584	-	(60,305)	943,409	617,195	(11,441)	382,880
Benefits paid						(136,698)	(119,480)	(24,167)	-	-
Closing Defined Benefit Obligation	1,044,086	914,628	547,166	124,321	15,374	2,560,543	2,428,014	1,402,695	703,168	426,604

**Principal Actuarial Assumption Used:**

Discount Rates	9.20 %	8.20 %	8.75 %	8.00 %	8.00 %	9.20 %	8.20 %	8.75 %	8.00 %	8.00 %
Expected Salary Increase rates	5.00 %	5.00 %	5.00 %	5.00 %	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 2015 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**

Particulars	2013-14 ₹	2012-13 ₹
Interest Expense	2,668,337,469	1,462,014,243
Other borrowing costs	213,881,091	134,620,595
Applicable net loss on foreign currency transactions & translation	384,504,686	107,548,129
	<u>3,266,723,246</u>	<u>1,704,182,967</u>
Less: Allocated/transferred to capital work in progress & deferred payment (Refer note 2.9 & 2.13)	3,098,703,056	1,490,506,256
	<u>168,020,190</u>	<u>213,676,711</u>

**NOTE-2.18****DEPRECIATION AND AMORTISATION EXPENSES**

Particulars	2013-14 ₹	2012-13 ₹
Depreciation/amortisation on tangible assets	7,222,583	6,214,618
Less: Allocated to capital work in progress (Refer note 2.9)	<u>7,222,583</u>	<u>6,214,618</u>

**NOTE-2.19****OTHER EXPENSES**

Particulars	2013-14 ₹	2012-13 ₹
Rent	8,091,841	9,598,052
Power and fuel	52,801,330	31,257,352
Travelling and conveyance expenses	11,965,143	9,461,296
Communication expenses	997,199	450,380
Security expenses	9,552,807	8,379,148
Housekeeping expenses	6,183,694	5,620,221
Insurance	276,968	76,405
Remuneration to Auditors		
--Statutory Audit	140,450	112,360
--Tax Audit	33,708	37,079
-- Other Services	-	9,102
Rates and taxes	5,558,763	28,927
Advertisements	4,165,607	726,687
Safety	803,261	240,032
Printing & stationery	617,217	818,309
Fees to other authorities	1,831,862	863,299
Legal and professional charges	3,885,420	5,463,068
Miscellaneous expenses	3,908,971	1,592,235
Asset written off	20,437	-
	<u>110,834,678</u>	<u>74,733,952</u>
Less: Allocated to capital work in progress (Refer note 2.9)	102,008,083	67,743,084
	<u>8,826,595</u>	<u>6,990,868</u>



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

	₹	₹
<b>2.20 C.I.F value of imports</b>	<b>2013-14</b>	<b>2012-13</b>
Capital goods	9,142,615,385	2,501,336,508
<b>2.21 Expenditure in foreign currency:</b>	<b>2013-14</b>	<b>2012-13</b>
Travelling	1,118,211	303,126
Finance costs	144,736,790	64,036,186
Advance/milestone for equipment supply	166,871,078	151,038,117
Advance for technical services (net)	(22,512)	-

**2.22 Earnings per share:****Computation of earnings per share.**

Particulars		2013-14	2012-13
Profit / (loss) after tax (₹)	(A)	(183,586,095)	(240,403,647)
Weighted average nos of equity shares for basic and diluted EPS (B)		713,007,896	712,960,003
Basic and diluted earnings per share of ₹ 10/- [(A)/(B)] (₹)		(0.26)	(0.34)

**2.23 Disclosure in respect of Related Parties:****Related Parties and their relationships as on 31.03.2014**

Name of Related Parties	Nature of Relationship
CESC Infrastructure Limited	Direct Holding Company
CESC Limited	Ultimate Holding Company
Spencer's Retail Limited, Music World Retail Limited, Au Bon Pain Café India Limited, Nalanda Power Company Limited, Dhariwal Infrastructure Ltd, Surya Vidyut Limited, CESC Properties Limited, CESC Projects Ltd, Metromark Green Commodities Pvt. Ltd, Bantal Singapore Pte.Ltd , Papu Hydro Power Projects Limited, Pachi Hydro Power Projects Limited, Spenliq Private Limited, Firstsource Solutions Limited, Firstsource Group USA, Inc., Firstsource BPO Ireland Ltd., Firstsource Solutions UK Ltd., Anunta Tech Infrastructure Services Ltd., Firstsource-Dialog Solutions Pvt. Ltd., MedAssist Holding, Inc., Firstsource Business Process Services, LLC, *Firstsource Solutions S.A. (Argentina), Firstsource Solutions USA, LLC, Firstsource Advantage, LLC, Firstsource Transaction Services, LLC, #Twin Lakes Property LLC, (Twinlakes-I), *Twin Lakes Property LLC (Twinlakes-II ), Ranchl Power Distribution Company Pvt Ltd.	Fellow Subsidiary Companies
Mr. Sudipta Kumar Mukherjee	Key Management Personnel

\*w.e.f. 31.12.2013

# dissolved during the year



**Haldia Energy Limited**

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

**Related Parties and their relationships as on 31.03.2013**

Name of Related Parties	Nature of Relationship
CESC Infrastructure Limited	Direct Holding Company
CESC Limited	Ultimate Holding Company
Spencer's Retail Limited, Music World Retail Limited, Au Bon Pain Café India Limited, Nalanda Power Company Limited, Dhariwal Infrastructure Ltd, Surya Vidyut Limited, CESC Properties Limited, CESC Projects Ltd, Metromark Green Commodities Pvt. Ltd, Bantai Singapore Pte.Ltd , Papu Hydro Power Projects Limited(15 <sup>th</sup> May,2012), Pachi Hydro Power Projects Limited(15 <sup>th</sup> May,2012), Spenliq Private Limited, Firstsource Solutions Limited (w.e.f 5th December, 2012), Firstsource Group USA, Inc. (w.e.f 5th December, 2012), Firstsource BPO Ireland Ltd. (w.e.f 5th December, 2012) ,Firstsource Solutions UK Ltd. (w.e.f 5th December, 2012), Anunta Tech Infrastructure Services Ltd. (w.e.f 5th December, 2012), Firstsource-Dialog Solutions Pvt. Ltd. (w.e.f 5th December, 2012), MedAssist Holding, Inc. (w.e.f 5th December, 2012), Firstsource Business Process Services, LLC (w.e.f 5th December, 2012), Firstsource Solutions S.A. (Argentina) (w.e.f 5th December, 2012), Firstsource Solutions USA, LLC (w.e.f 5th December, 2012), Firstsource Advantage, LLC (w.e.f 5th December, 2012),Firstsource Transaction Services, LLC (w.e.f 5th December, 2012),Twin Lakes Property LLC, (Twinlakes-I) (w.e.f 5th December, 2012), Twin Lakes Property LLC (Twinlakes-II ) (w.e.f 5th December, 2012), Ranchi Power Distribution Company Pvt Ltd (w.e.f 12 <sup>th</sup> November,2012).	Fellow Subsidiary Companies
Mr. Sudipta Kumar Mukherjee	Key Management Personnel

**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	
	31.03.14 (₹)	31.03.13 (₹)	31.03.14 (₹)	31.03.13 (₹)	31.03.14 (₹)	31.03.13 (₹)	31.03.14 (₹)	31.03.13 (₹)
Advance against Equity shares received.	-	-	174,810,460	-	-	-	-	-
Issue of fully paid up Equity shares.	-	-	174,810,460	-	-	-	-	-
Amount received On account of sale of Investments	-	-	5,605,189,540	1,350,000,000	-	-	-	-
Contractual Remuneration	62,653,882	51,076,309	6,057,058	-	553,999	-	-	-
Other expenses.	99,823,343	816,124	-	-	121,380	-	-	-
Expenses Recoverable	473,162	-	94,658	-	515,582	-	-	-
Reimbursement for contractual remuneration and expenses made during the year.	-	306,838	-	-	-	-	-	-





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

Salary Paid Sudipta Kumar Mukherjee.	-	-	-	-	-	-	3,298,116	2,735,862
Balance								
Debit:	-	-	-	-	49,840,203	50,000,000	-	-
Credit:	246,427,144	84,423,081	5,962,400	5,605,189,540	-	-	-	-

**2.24**

The outstanding foreign currency loans of ₹ 9,811,134,120/- (Previous year: ₹ 3,278,208,921/-) disclosed in Note: 2.3, stands hedged in Indian Rupee.

**2.25**

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.

**2.26**

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

**2.27**

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

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

CA P.J. Bhide  
Partner  
Membership Number 004714

Place: Kolkata  
Date:



For and on behalf of the Board

*[Signature]*  
Director

*[Signature]*  
Manager

*[Signature]*  
Secretary