



ANNUAL REPORT 2011-2012

NEW TOWN TELECOM INFRASTRUCTURE
DEVELOPMENT COMPANY LTD.



BOARD OF DIRECTORS

Chairman	:	Shri Partha Pran Dutta <i>(appointed Chairman effective 11th August, 2011)</i>
Directors	:	Shri Arun Kumar Bose <i>(appointed Director effective 1st November, 2007)</i> <i>(retired effective 1st March, 2012)</i> <i>(appointed Director effective 1st March, 2012)</i>
		Shri Kallol Datta <i>(Subscriber – Director)</i>
		Smt. Uma Ghosh <i>(appointed Director effective 11th August, 2011)</i> <i>(relinquished effective 1st March, 2012)</i>
		Shri Tejendranath Som <i>(appointed Director effective 11th August, 2011)</i>
		Shri Jayanta Ray <i>(Subscriber – Director)</i>
		Shri Amit Kumar Sarkar <i>(appointed Director effective 11th August, 2011)</i>
		Shri Amiya Narayan Bhattacharyya <i>(appointed Director effective 23rd March, 2012)</i>

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Registered Office : 03, Major Arterial Road, New Town, Rajarhat, Kolkata - 700 156.	Replies on Comments of C&AG	.. 74
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DIRECTORS' REPORT

Report of the Directors to the Shareholders for the year ended 31st March, 2012

Your Directors have the pleasure in presenting the 6th Annual Report together with the Audited Accounts of the Company for the period ended 31st March, 2012.

New Town Project at Rajarhat, Kolkata is being implemented by the Housing Department, Government of West Bengal through a wholly-owned State Government Company (incorporated under the Companies Act, 1956) known as "West Bengal Housing Infrastructure Development Corporation Ltd." (WBHIDCO Ltd.) with well planned futuristic outlook to provide all basic infrastructural facilities as are available in any modern township.

A Memorandum of Understanding/Joint Venture Agreement was executed on 1st day of April, 2006 between WBHIDCO Ltd. and WEBFIL Ltd. for formation of a Company under the Companies Act, 1956 on a 51:49 partnership basis in equity participation and accordingly, New Town Telecom Infrastructure Development Co. Ltd. (NTTIDCO Ltd.) was incorporated with the Registrar of Companies, West Bengal on 12th May, 2006 under the Companies Act, 1956, and Certificate of Commencement of Business was issued by the Registrar of Companies, West Bengal on 23rd May, 2006 with objectives of carrying on business activities relating to creation of Telecom Infrastructure.

Your Company is registered with Government of India, Ministry of Communications and IT Department of Telecommunications, New Delhi under Registration Certification No. 124/2006 dated 18th September, 2006 for Infrastructure Provider Category-I (IP-I).

Achievements during 2011-12

The underground infrastructure has already covered about 515 Duct Kilometers spread over Action Area-I, Action Area-II and Action Area-III. The connectivity has now reached all the buildings, which are either already constructed or nearing completion based on Demand raised. Particular emphasis has been given towards connectivity for IT Parks with the Ring Formation which ensures greater availability and alternate routing.

Now that almost all the Service Operators in the field of Telecom and allied services have utilized the connectivity consuming about 210 Duct Kilometers till date. Total road length covered in New Town is 58 K.M. as on 31.03.2012.

Right of Way

Appropriate Lease Agreement conferring title to the strips of land all through New Town has been executed between WBHIDCO Ltd. and NTTIDCO Ltd. on 07-02-2009.

Scope of Business

Your Company has already established business with the Service Providers, as detailed below :-

Tata Communications Limited (erstwhile VSNL)	Reliance Communications Ltd.
Bharti Airtel Ltd.	Ortel Communications Ltd.
Price Water House Coopers	Bharat Sanchar Nigam Limited (BSNL)
Power Grid Corporation of India Ltd.	Vodafone
India Cable Net Company Ltd.	Manthan Broadband Services Pvt. Ltd.
Aircel	Tata Teleservices Ltd.
Insat (II) Cable TV Center	Hitech Visual Channel

Accounts and Finance

From the Final Accounts for the period ended 31st March, 2012, you may observe that the Company is in full swing, engaged in creation of Telecom Infrastructure facilities in New Town, Rajarhat, Kolkata. The expenditure incurred by the Company during the year 2011-12 amounted to Rs. 1,14,86,637 against business income of Rs. 2,19,71,956 excluding other income. As such, Profit and Loss Statement exhibited a net Profit of Rs. 1,10,57,716.

Dividend

Keeping in view of steady profitability and in view of a net profit of Rs. 1,10,57,716 during the year, your Board recommends payment of dividend @ 20% (i.e. Rs. 20/- per share) for the year ended 31st March, 2012.

Capital

The paid-up capital of the Company at the end of 31st March, 2012 remained at Rs.105 lakhs contributed by WBHIDCO Ltd. (Rs. 53.55 lakhs) and by WEBFIL Ltd. (Rs.51.45 lakhs). WBHIDCO Ltd. (the Holding Company) is a wholly-owned Government of West Bengal Company and WEBFIL Ltd. being an associate of Andrew Yule & Co. Ltd. (a Government of India Enterprise) having a substantial share-holding by WBIDC, NTTIDCO Ltd. was incorporated as a State Government Company i.e. Government of West Bengal Company.

Directors

Out of seven Directors on the Board, four Directors are to be nominated by WBHIDCO Ltd. as per Article 79 of the Articles of Association of your Company and three Directors are to be nominated by WEBFIL Ltd. and hence, no Director is required to retire by rotation during their tenure. WBHIDCO Ltd. (the Parent Body) has made fresh nomination of Shri Arun Kumar Bose effective 1st March, 2012 against vacancy created on relinquishment of Smt. Uma Ghosh effective 1st March, 2012. M/s. WEBFIL Limited has made fresh nomination of Shri Amiya Narayan Bhattacharyya on the Board with effect from 23.03.2012 on retirement of Shri Arun Kumar Bose. Your Board puts on record the valuable contributions made by Shri Arun Kumar Bose and Smt. Uma Ghosh, during their tenure as Directors of the Company.

Employees

Since, no employee is in receipt of a remuneration of Rs. 5.00 lakhs or more per month or Rs. 60.00 lakhs or more during the financial year, Section 217(2A) of the Companies Act, 1956 is not attracted. Total number of staff engaged by the Company was only five as on 31st March, 2012.

Fund Projection

Fund availability/Fund Management is very critical in a developing economy. NTTIDCO's project work depends to some extent on borrowings. Your Company has since generated some fund on Lease Agreements executed/to be executed with Service Providers and also through Annual Lease Rentals. Besides a loan of Rs.5.00 crores had been obtained from its holding company i.e. WBHIDCO Ltd., which is reduced to Rs.1.50 crores by making timely payment of loan installments.



Directors' Responsibility Statement pursuant to Section 217 (2AA) of the Companies Act, 1956.

Your Directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) that, the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the Profit and Loss Account of the Company for the period ended 31st March, 2012;
- iii) that, the Directors had taken proper and sufficient care for the maintenance of adequate accounting 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) that, the Directors had prepared the annual accounts on a 'going concern' basis.

Corporate Governance

Company's philosophy on Corporate Governance —

The philosophy of this Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to all related laws, regulations and guidelines and to promote ethical conduct throughout the Organisation.

Your Company believes that good Corporate Governance consists of business practices which result in enhancement of the values of the Company and simultaneously enables the Company to fulfill its obligations to its stakeholders such as, shareholders, customers, vendors, employees and financiers and to the society at large. Your Company further believes that, such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environment consciousness.

The company makes its best endeavours to uphold and nurture this core values in all aspects of its operations and is committed to attain the highest standards of Corporate Governance.

During the year 2011-2012, five Meetings of the Board of Directors were held, the details of which are furnished below:

Name of Director	Status	Dates of Board Meetings				
		03.05.2011	02.09.2011	30.12.2011	13.01.2012	23.03.2012
Shri R.K. Tripathy	Chairman	✓	Ceased to be Director effective 11.08.2011			
Shri Kallol Datta	Director	✓	X	X	✓	✓
Shri Prabir Kumar Dutta	Director	✓	Ceased to be Director effective 11.08.2011			
Shri Gopal Kumar Mukherjee	Director	✓	Ceased to be Director effective 11.08.2011			
Shri Jayanta Ray	Director	✓	✓	X	✓	✓
Shri Rajendranarayan Raychowdhuri	Director	✓	Ceased to be Director effective 11.08.2011			
Shri Arun Kumar Bose	Director	✓	✓	✓	✓	✓
Shri Partha Pran Dutta	Chairman	Became Director effective 11.08.2011	✓	✓	✓	✓
Smt. Uma Ghosh	Director	Do	✓	X	✓	X
Shri Amit Kumar Sarkar	Director	Do	✓	X	✓	✓
Shri T.N. Som	Director	Do	✓	X	✓	X

✓ indicates present

X indicates absent

* Indicates Adjourned Meeting

Details of Directorships on the Board of other Companies as on 31-03-2012

Name of Director	No. of other Companies in which Directorship/Chairmanship is held	
	Directorship	Chairmanship
Shri Partha Pran Dutta	2	–
Shri Arun Kumar Bose	–	–
Shri Kallol Datta	10	8
Shri Amit Kumar Sarkar	1	–
Shri Tejendra Nath Som	–	–
Shri Jayanta Ray	5	2
Shri Amiya Narayan Bhattacharyya	3	–

ANNUAL GENERAL MEETINGS (AGMs)

The details of last three Annual General Meetings are mentioned below :

Years	2008 - 2009	2009 - 2010	2010 - 2011
Dates	15th September, 2009	28th September, 2010	29th September, 2011
Time	4.30 PM	4.30 PM	4.00 PM
Venue	HIDCO Corporate Office Building, Salt Lake Stadium Complex, Gate No. 3, Sector-III, Kolkata-700 098.		HIDCO Bhaban, 35-1111 MAR, Kolkata - 700 0156

Extra-Ordinary General Meeting(s) (EGMs)

During the year no Extra-Ordinary General Meeting was held.

Disclosure

During the year no material transactions with the Directors or the Management, their subsidiaries or relatives etc. have taken place, which have potential conflict with the interest of the Company except the fact that M/s WEBFIL LIMITED was the Executing Agency at standard market rates and as such the Nominee Directors of M/s WEBFIL LIMITED may be deemed to be interested.



Auditors

M/s. P.K. Sethia & Co., Chartered Accountants, Kolkata were appointed by the Comptroller and Auditor General of India, as Statutory Auditors for 2011-12. The Comments of the Comptroller and Auditor General of India on the Accounts of the Corporation for the period ended 31st March, 2012 shall be forwarded to the Statutory Auditors on receipt of the same together with replies thereof.

Public Deposits

The Company has not accepted any public deposit under Section 58A of the Companies Act, 1956.

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

Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are not applicable for the Company.

Acknowledgement

Your Directors wish to place on record their appreciation for valuable contribution/co-operation and support given by the Housing Department, Government of West Bengal, WBHIDCO Ltd. (Holding Company) and the Executing Agency i.e., M/s. WEBFIL Limited. The Board also acknowledges devoted services rendered by the staff of the Company at all levels, which enabled the Company completion of project work (partly) very successfully.

For and on behalf of the Board of Directors,

Kolkata

Dated, this 20th day of July, 2012.

(PARTHA PRAN DUTTA)
Chairman.





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e-mail : aglbawestbengal@cag.gov.in

कार्यालय - महालेखाकार
(आर्थिक एवं राजस्व क्षेत्र लेखापरीक्षा)
पश्चिम बंगाल

OFFICE OF ACCOUNTANT GENERAL
(Economic and Revenue Sector Audit)
West Bengal
3rd MSO Building, 5th Floor, CGO Complex,
DF Block, Salt Lake, Kolkata – 700 064

संख्या/No. OA(ESA-II)/Acctts/NTTIDCL/2011-12/622
दिनांक/Dated 28.08.2012

To
The Managing Director,
New Town Telecom Infrastructure Development Company Limited,
03, MAR, New Town, Rajarhat,
Kolkata-700 156.

Sub : Comments of the Comptroller and Auditor General of India under Section 619 (4) of the Companies Act, 1956 on the accounts of New Town Telecom Infrastructure Development Company Limited for the year ended 31 March, 2012.

Sir,

I am to forward herewith the Non-review certificate under Section 619 (4) of the Companies Act, 1956 on the accounts of New Town Telecom Infrastructure Development Company Limited for year ended 31 March, 2012.

Yours faithfully,

(S. K. De)
Deputy Accountant General (ESA-II)
West Bengal

Encl: As stated.



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF NEW TOWN TELECOM INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH, 2012.

The preparation of financial statements of New Town Telecom Infrastructure Development Company Limited for the year ended 31 March, 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 20.07.2012.

I, on behalf of the Comptroller and Auditor General of India have decided not to review the report of the Statutory Auditors on the accounts of New Town Telecom Infrastructure Development Company Limited for the year ended 31 March, 2012 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India,

(M. Ray Bhattacharyya)
Accountant General (E&RSA)
West Bengal

Dated at Kolkata
The 28 August, 2012

ADDENDUM TO THE DIRECTORS' REPORT

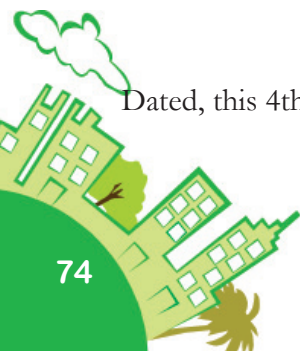
Replies on the Audit Comments of the Comptroller & Auditor General of India under section 619(4) of the Companies Act, 1956, on the Annual Accounts of New Town Telecom Infrastructure Development Co. Ltd. for the year ended 31st March, 2012.

Office of the Accountant General (Economic and Revenue Sector Audit), West Bengal has commented that C&AG of India have decided not to review the report of the Statutory Auditors on the accounts of New Town Telecom Infrastructure Development Company Limited for the year ended 31st March, 2012 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

For and on behalf of the Board of Directors

PARTHA PRAN DUTTA
Chairman

Dated, this 4th day of September, 2012.



**AUDITORS' REPORT
TO THE MEMBERS OF
MESSRS NEW TOWN TELECOM INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**

1. We have audited the attached Balance Sheet of MESSRS NEW TOWN TELECOM INFRASTRUCTURE DEVELOPMENT COMPANY as at 31st March, 2012 and also the Profit and Loss Account for the year ended on that date annexed thereof. 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 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) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) 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;
 - (ii) 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;
 - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
 - (v) In terms of Government of India, Ministry of Finance Department of Company Affairs Notification Number GSR. 829(E) dated 21st October 2003, Government Companies are exempt from the applicability of the provisions of section 274(1) (g) of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read together with the Statements on Significant Accounting Policies and Notes to Accounts & Financial Statements thereon 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.
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and
 - (b) In the case of Profit and Loss Account, of the Profit for the year ended 31st March, 2012.

For P. K. Sethia & Co.
Chartered Accountants
Registration No. 324367E

Sathis Sethia
Partner
Membership No. 061557

Place : Kolkata
Dated the 20th day of July, 2012.



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

1. The Company has maintained proper records showing full particulars including the quantitative details and situation of fixed assets but has not updated it for assets purchased during the financial year. The fixed assets include ducts which are lying underground and are not verifiable. The other assets have been physically verified by the management at reasonable intervals. No material discrepancies have been noticed on such verification.
2. The Company does not have any inventory. Thus, sub clause (a) to (c) of clause (ii) of the said order is not applicable.
3. The Company has not granted loans, secured or unsecured to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Thus, sub clause (b) to (d) of clause 4 (iii) of the said order is not applicable.

The Company has taken unsecured loan from the Company listed in the register maintained under section 301 of the Companies Act, 1956. The company has taken a loan of Rs. 1.50 cores from one party. The rate of interest and other terms and conditions of loans given by the company are *prima facie* not prejudicial to the interest of the company. The payment of principal amount and interest thereon are regular.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. There is no major weakness in internal control system.
5. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register wherever applicable and each of these transactions made in pursuance of such contracts or arrangements exceeding the value of five lakh rupees in respect of each party in one financial year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposit from public and as such the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder are not applicable.
7. The Company has a paid up capital and reserves exceeding Rs.50 lakhs as at the commencement of the financial year but does not have an average annual turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned. The company has an internal audit system commensurate with its size and nature of business.
8. The maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. The Company is regular in depositing with the appropriate authorities undisputed statutory dues including Income-tax, Service Tax, Cess, Provident Fund and any other statutory dues. The company has no undisputed statutory due outstanding as at 31st March, 2012 for a period of more than six months from the

date they became payable. Further, according to the information and explanations given to us, no disputed amounts payable in respect of Income-tax, Service Tax, Cess, Provident Fund and any other statutory dues are outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.

10. The Company has been registered for a period not less than five years. There are no accumulated losses as at the end of the financial year and it has not incurred any cash losses in such financial year ended as at 31st March 2012 or in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to a financial institution or bank. There are no debenture holders and as such repayment of dues to the debenture holders is not applicable to the company.
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 and as such maintenance of such documents and records does not arise.
13. The Company is not a Chit Fund, nidhi or mutual benefit society. Thus, the provisions of clause 4 (xiii) of CARO are not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Thus, the provisions of clause 4 (xiv) of CARO are not applicable to the company.
15. The Company has not given corporate guarantee for loans taken by others from bank or financial institution.
16. The Company has taken term loans and as according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
17. The Company has not raised funds for short-term basis during the financial year. Thus, the provisions of clause 4 (xvii) of CARO are not applicable to the company.
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 Companies Act, 1956.
19. The Company has not issued any secured debentures during the period covered by our audit report.
20. The Company has not raised money through public issue. Thus, the provisions of clause 4 (xx) of CARO are not applicable to the company.
21. There has been no fraud on or by the company, which has been noticed or reported during the year. Thus, the provisions of clause 4 (xxi) of CARO are not applicable to the company.

For P. K. Sethia & Co.
Chartered Accountants
Registration No. 324367E

Satish Sethia
Partner
Membership No. 061557

Place : Kolkata
Dated the 20th day of July, 2012.



BALANCE SHEET
AS AT 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Note No.	As at 31.03.2012		As at 31.03.2011	
EQUITY & LIABILITIES:					
Shareholders' Fund					
Share Capital	1		1,05,00,000		1,05,00,000
Reserve & Surplus	2		3,87,51,040		2,32,68,594
Money Received against share warrants					
Share Application Money Pending Allotment					
Non-Current Liabilities					
Long-term Borrowings	3.1	2,05,84,442		3,78,61,600	
Deferred Tax Liabilities (Net)	3.2	47,36,694		34,03,118	
Other Long-term Liabilities	3.3	8,15,79,290		6,81,67,332	
Long-term Provisions		—		—	
			10,69,00,426		10,94,32,050
Current Liabilities					
Short-term Borrowings	4.1	—		35,94,257	
Other Current Liabilities	4.2	93,32,737		97,50,533	
Short-term Provisions	4.3	1,52,14,511		1,11,60,290	
			2,45,47,248		2,45,05,080
Total			18,06,98,713		16,77,05,724
ASSETS:					
Non-Current Assets					
Fixed Assets					
Tangible Assets	5.1		8,79,12,318		7,88,40,213
Intangible Assets	5.2		5,04,335		4,73,668
Non-current Investments			—		—
Deferred Tax Assets (Net)			—		—
Long-term Loans and Advances	6		2,89,55,526		1,01,47,198
Other Non-current Assets			—		—
Current Assets					
Trade Receivables	7		10,12,460		9,20,908
Cash & Bank Balances					
Cash & Cash Equivalents	8	78,04,880		3,32,765	
Other Bank Balances	9	4,98,00,000		7,55,00,000	
			5,76,04,880		7,58,32,765
Other Current Assets	10		47,09,194		14,90,972
Total			18,06,98,713		16,77,05,724

Notes to Accounts and Significant Accounting Policies and Note Nos. 1 to 19 form an integral part of these Financial Statements.

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

For P. K. SETHIA & CO.
Chartered Accountants
Firm Regn. No. 324367E
SATISH SETHIA
Partner
Membership No. 061557

Kolkata
Dated 20th July, 2012

For and on behalf of the Board

Chairman : PARTHA PRAN DUTTA
Director &
Chief Operating Officer : A.N. BHATTACHARYYA
Advisor—
Corporate Affairs : R. GHOSH
Kolkata, Dated 20th July, 2012

**PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2012**

(Amount in Rs.)

Particulars	Note No.	For the year Ended 31.03.2012	For the year ended 31.03.2011
Revenue from Operation	11	2,19,71,956	2,07,51,177
Other Income	12	59,39,519	37,69,691
Total Revenue		2,79,11,475	2,45,20,868
Employees Cost	13	26,12,307	14,95,019
Finance Cost	14	17,15,495	23,51,066
Depreciation	15	38,81,839	12,26,976
Other Expenses	16	32,76,996	39,30,440
Total Expenditure		1,14,86,637	90,03,501
Profit Before exceptional and extraordinary items and tax		1,64,24,838	1,55,17,367
Tax Expenses			
Current Tax		40,33,547	29,32,443
Deferred Tax		13,33,576	20,04,279
Profit for the Year		1,10,57,716	1,05,80,645
Earning per equity share of face value of 100 each	18		
Basic and Diluted		105.31	100.77
Notes to Accounts and Significant Accounting Policies and Note Nos. 1 to 19 form an integral part of these Financial Statements.			

This is the Profit & Loss Statement referred to in our report of even date.

For P. K. SETHIA & CO.
Chartered Accountants
Firm Regn. No. 324367E
SATISH SETHIA
Partner
Membership No. 061557

Kolkata
Dated 20th July, 2012

For and on behalf of the Board

Chairman : PARTHA PRAN DUTTA
Director &
Chief Operating Officer : A.N. BHATTACHARYYA

Advisor—
Corporate Affairs : R. GHOSH
Kolkata, Dated 20th July, 2012



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

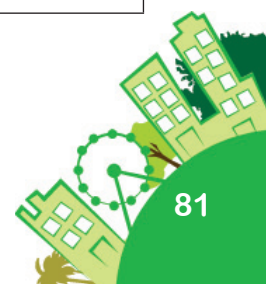
NOTE - 1 : SHARE CAPITAL			
(Amount in Rs.)			
1.1 Details of Authorised, Issued, Subscribed & Paid-up Share Capital with Reconciliation	31st March 2012	Increase/ (Decrease)	31st March 2011
Class : Equity Shares			
Authorised			
Number of Shares	5,00,000	–	5,00,000
Per Value Per Share	100	–	100
Value	5,00,00,000	–	5,00,00,000
Issued, Subscribed & Paid up			
Number of Shares	1,05,000	–	1,05,000
Per Value Per Share	100	–	100
Value	1,05,00,000	–	1,05,00,000
1.2 Information of Shareholders holding 5% of Share Capital			
	31st March 2012	31st March 2011	
Name: West Bengal Housing Infrastructure Development Corpn. Ltd.			
Class: Equity Shares			
Number of Shares	53546	53546	
Per Value Per Share	100	100	
Value	5354600	5354600	
% of Share Holding	51%	51%	
Name: WEBFIL Ltd.			
Class: Equity Shares			
Number of Shares	51447	51447	
Per Value Per Share	100	100	
Value	5144700	5144700	
% of Share Holding	49%	49%	

NOTE - 2 : RESERVES & SURPLUS			
	31st March 2012		31st March 2011
Capital Reserves	–		–
Other Reserves			
Capital Assistance for Mass Housing Project	72,77,158		–
Less: Adjustment of Depreciation on Assets (Prior Period)	91,968		–
Less: Adjustment of Depreciation on Assets	3,19,787		–
		68,65,403	
Surplus (Balance in Statement of Profit & Loss)			
Opening Balance	2,32,68,594		1,51,36,733
Add: Profit for the Year	1,10,57,716		1,05,80,645
	3,43,26,310		2,57,17,378
Less: Proposed Dividend	21,00,000		21,00,000
Less: Tax on Dividend	3,40,673		3,48,784
		3,18,85,637	2,32,68,594
		3,87,51,040	2,32,68,594
2.01 Other Reserves represents the share of WBHIDCO for construction of underground ducts & pits for Mass Housing Project at New Town net off the proportionate depreciation against the fixed assets attributable to WBHIDCO contribution.			

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

Note - 3.1 Long Term Borrowings	31st March 2012	31st March 2011	
Loans and advances from related parties			
Unsecured Loan from WBHIDCO Ltd.	1,50,00,000	2,50,00,000	
Advance from WBHIDCO Ltd.	3,61,600	3,61,600	
Advance from WBHIDCO Ltd. for Mass Housing Project	52,22,842	1,25,00,000	
	2,05,84,442	3,78,61,600	
	31st March 2012	Increase/ (Decrease)	31st March 2011
Note - 3.2 Deferred Tax Liabilities (Net)	47,36,694	13,33,575.82	34,03,118
	31st March 2012	31st March 2011	
Note - 3.3 Other Long Term Liabilities			
Unexpired Upfront Fees against Lease	8,10,79,290	6,76,67,332	
Advance from Customers	5,00,000	5,00,000	
	8,15,79,290	6,81,67,332	
Note - 4.1 Short Term Borrowings			
Overdraft (Unsecured) from Syndicate Bank		35,94,257	
Note - 4.2 Other Current Liabilities			
Liabilities for Project & Development	7,91,718	11,66,583	
Liabilities Against Services & Expenses	5,02,449	3,24,674	
Contribution to Provident Fund Authority	11,203	24,017	
Service Tax Payable	8,23,496	59,585	
Tax Deducted at Sources (Payable)	-	2,52,033	
Interest & Penalty	-	1,200	
Un-expired Lease Rent - (Ducts & Pits)	71,93,694	46,12,441	
Advance from Customers	10,177	33,10,000	
	93,32,737	97,50,533	
Note - 4.3 Short-term Provisions			
Income Tax	1,27,06,569	85,70,753	
Fringe Benefit Tax	67,269	1,40,753	
Proposed Dividend	21,00,000	21,00,000	
Tax on Proposed Dividend	3,40,673	3,48,784	
	1,52,14,511	1,11,60,290	



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE - 5 : FIXED ASSETS

(Amount in Rs.)

ASSETS	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	As on 01.04.2011	Addition for the year	Adjustments Addition/ (Deletion)	As on 31.03.2012	As on 01.04.2011	Adjustment /Sale	Provided during the year 2011-12	As on 31.03.2012	As on 31.03.2011
Note : 5.1									
TANGIBLE ASSETS									
Underground Duct	7,57,91,516	1,18,37,571	-	8,76,29,087	30,69,338	-	35,05,130	68,81,747	7,27,22,178
Maintenance Pits	61,30,025	13,80,054	36,773	75,46,852	2,71,676	-	3,17,425	6,01,609	58,58,349
Computer	1,67,163	-	-	1,67,163	73,548	-	27,097	1,00,645	93,615
Furniture & Fixture	2,03,070	-	-	2,03,070	36,999	-	12,854	49,853	1,66,071
Total Tangible Assets	8,22,91,774	1,32,17,625	36,773	9,55,46,172	34,51,561	-	38,62,506	76,33,854	7,88,40,213
Note : 5.2									
INTANGIBLE ASSETS									
Lease Right	5,30,000	50,000	-	5,80,000	56,332	-	19,333	75,665	4,73,668
Total Intangible Assets	5,30,000	50,000	-	5,80,000	56,332	-	19,333	75,665	4,73,668
Grand Total	8,28,21,774	1,32,67,625	36,773	9,61,26,172	35,07,893	-	38,81,839	77,09,519	7,93,13,881
Previous Year Total	69,38,32,696	1,29,89,078	-	8,28,21,774	22,80,917	-	12,26,976	35,07,893	6,75,51,779

For P. K. SETHIA & CO.
Chartered Accountants
Firm Regn. No. 324367E

SATISH SETHIA
Partner
Membership No. 061557

Kolkata
Dated 20th July, 2012

For and on behalf of the Board

Chairman : PARTHA PRAN DUTTA
Director &
Chief Operating Officer : A.N. BHATTACHARYYA

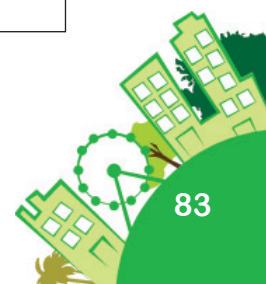
Advisor-
Corporate Affairs : R. GHOSH
Kolkata, Dated 20th July, 2012



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

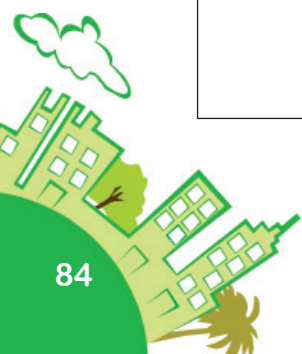
Note - 6	Long-term loans and Advances	31st March 2012	31st March 2011
	Security Deposits with BSNL	1,000	1,000
	Advance Income Tax	1,93,41,965	28,41,965
	Tax Deducted at Sources	95,45,293	71,61,589
	Advance - Fringe Benefit Tax	67,268	1,42,644
		2,89,55,526	1,01,47,198
Note - 7	Trade Receivables		
	(Unsecured considered good)		
	Outstanding for a period:		
	Not exceeding six months	8,59,585	3,41,833
	Exceeding six months	1,52,875	5,79,075
		10,12,460	9,20,908
Note - 8	Cash & Cash Equivalents		
	Cash Balances	10,007	14,977
	With Banks in Current Account		
	Syndicate Bank	77,74,545	
	Axis Bank (A/c No. 669010200002790)	10,112	3,17,788
	Axis Bank (A/c No. 669010200002806)	10,216	
		78,04,880	3,32,765
Note - 9	Other Bank Balances		
	a. Term Deposits with Syndicate Bank		
	(Held for period not more than 12 months)	1,03,00,000	1,10,00,000
		1,03,00,000	1,10,00,000
	b. Term Deposits with Syndicate Bank		
	(Held for period over 12 months)	3,95,00,000	6,45,00,000
	Total (a+b)	4,98,00,000	7,55,00,000
Note - 10	Other Current Assets		
	Interest accrued but not due	47,09,194	14,90,972
		47,09,194	14,90,972



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

Note - 11	Revenue from Operation	31st March, 2012	31st March, 2011
	Annual Lease Rent	1,49,92,314	1,43,34,842
	Upfront Fees Annualised	69,79,642	56,23,001
	Lease Rental related to Prior Period	–	7,93,334
		2,19,71,956	2,07,51,177
Note - 12	Other Income		
	Interest on Term Deposits	58,10,778	36,91,328
	Liabilities written back	–	78,363
	Prior Period Adjustment for Depreciation	1,28,741	–
		59,39,519	37,69,691
Note - 13	Employees Cost		
	Salary	23,98,523	14,10,559
	Employer's Contribution – Staff Provident Fund	97,718	20,313
	Employer's Contribution – Pension Fund	24,877	10,288
	Employer's Contribution – PF Admn Charges	11,239	2,806
	Employer's Contribution – DLI	3,689	626
	Employer's Contribution – DLI Admn Chages	82	13
	Employer's Contribution – ESI	–	3,538
	Medical Benefit	40,279	26,876
	Club Membership	5,500	6,000
	Exgratia & Incentive	30,400	14,000
		26,12,307	14,95,019
Note - 14	Financial Cost		
	Interest on Unsecured Loan	15,98,116	23,44,521
	Interest & Demurrage	15,110	1,200
	Interest on Shortfall in Income Tax	1,02,269	5,345
		17,15,495	23,51,066
Note - 15	Depreciation		
	On Fixed Assets	41,82,293	12,09,310
	Amortisation of Lease Right	19,333	17,666
		42,01,626	12,26,976
	Transfer against Other Reserve – Mass Housing Project	3,19,787	–
		38,81,839	12,26,976



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

Note - 16	Other Expenses	31st March, 2012	31st March, 2011
	Accounting & Consultancy	1,42,500	1,09,500
	Advertisement & Publicity Charges	28,300	66,900
	Advisory & Consultancy	3,28,332	4,13,561
	Statutory Audit Fees	12,000	12,000
	Tax Audit Fess	5,000	3,000
	Internal Audit Fees	14,000	12,000
	Bank Charges	421	114
	Books & Periodicals	2,324	3,629
	Car Hire Charges	12,71,628	12,86,744
	Conveyance	66,213	43,250
	Directors Sitting Fees	24,000	30,000
	Entertainment Expenses	13,950	–
	General Charges	24,711	20,457
	Lease Rental	58,000	28,000
	Legal Charges & Filling Charges	83,627	10,002
	Meeting, Seminar & Conference	–	8,800
	Membership	2,500	2,500
	Office Maintenance Expenses	40,391	43,193
	Postage & Courier	308	239
	Printing & Stationery	50,070	36,641
	Profession & Technical Service Fees	1,50,000	4,19,408
	Profession Tax – Company	2,500	2,500
	Repair & Maintenance – Others	4,79,408	7,98,305
	Service Charges	44,815	–
	Security Hire Charges – Office	3,150	1,05,472
	Security Hire Charges – Project	–	1,43,514
	Staff Welfare	2,43,633	1,70,474
	Subscription and Donation	5,000	–
	Supervision Charges	72,000	–
	Telephone, Fax & Communication	1,08,216	87,917
	Preliminary Expenses Written Off	–	72,320
		32,76,996	39,30,440



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

Note - 17 Related Party Disclosures			
(Information in compliance of Accounting Standard 18)			
Particulars of Related Parties			
Names of Related Parties	Transaction/ Balances	Transaction Value	Balance on 31.03.2012
I West Bengal Housing Infrastructure Development Corpn. Ltd.			
Relationship : Holding Company			
Unsecured Loan	Unsecured Loan	–	1,50,00,000
Advance from WBHIDCO Ltd.	Non-current Advance	–	3,61,600
Advance from WBHIDCO Ltd. – for Project Development	Non-current Advance	–	
Interest on Unsecured Loan	Finance Cost	15,98,116	52,22,842
Lease Rental	Revenue	58,000	–
Payment for Lease Right	Payment for Intangible Assets	50,000	–
II WEBFIL Ltd.			
Relationship: Associated Company			
Advance against works	Current Advance	50,00,000	
Works Executed	Direct Project Cost	1,21,13,548	
Note - 18 Earning Per Share (EPS)	2011-2012	2010-2011	
i) Net Profit after tax as per the Statement of Profit & Loss attributable to Equity Shareholders	1,10,57,716	1,05,80,645	
ii) Weighted Average Number of Equity Shares used as denominator for calculating EPS	1,05,000	1,05,000	
iii) Basic & Diluted Earning per share	105.31	100.77	
iv) Face Value per equity share	100	100	
Note - 19	The information and figures of previous year have been re-arranged and regrouped to comply with the requirements of the Schedule VI (Revised) effective for the accounts for the financial year commencing on and after 1st April 2011.		

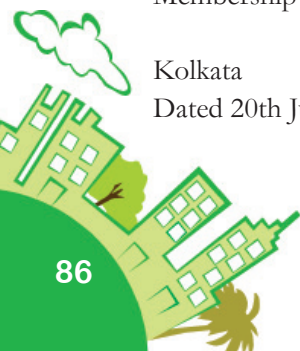
In terms of our report of even date.

For P. K. SETHIA & CO.
Chartered Accountants
Firm Regn. No. 324367E
SATISH SETHIA
Partner
Membership No. 061557

Kolkata
Dated 20th July, 2012

For and on behalf of the Board

Chairman : PARTHA PRAN DUTTA
Director &
Chief Operating Officer : A.N. BHATTACHARYYA
Advisor–
Corporate Affairs : R. GHOSH
Kolkata, Dated 20th July, 2012



NOTES TO THE ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements:

The accompanying financial statements are prepared under the historical cost convention in accordance with the Indian Generally Accepted Accounting Principles (“GAAP”) comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India, Government Accounting Standards Rule, 2006 and the provisions of the Companies Act, 1956. These accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted by the company.

The **Fundamental Accounting Assumptions** are as follows:

- a. **Going Concern:** The enterprise is normally viewed as a going concern, that is, as continuing in operation for the foreseeable future. It is assumed that the enterprise has neither the intention nor the necessity of liquidation or of curtailing materially the scale of the operations.
- b. **Consistency:** It is assumed that accounting policies are consistent from one period to another.
- c. **Accrual:** Revenues and costs are accrued, that is, recognised as they are earned or incurred (and not as money is received or paid) and recorded in the financial statements of the periods to which they relate.

The preparation of the financial statements in conformity with GAAP requires the management of the company to make estimates and assumptions that affect the reported amounts of revenues and expenses of the year, reported balances of assets and liabilities and disclosures relating to the contingent assets and liabilities as on the date of the financial statements. Actual results could differ from these estimates. There is no single list of accounting policies which are applicable to all circumstances. The differing circumstances in which enterprises operate in a situation of diverse and complex economic activity make alternative accounting principles and methods of applying those principles acceptable. The choice of the appropriate accounting principles and the methods of applying those principles in the specific circumstances of each enterprise calls for considerable judgement by the management of the enterprise.

2. Revenue Recognition:

- 2.01 **General:** Income is recognized on accrual basis, except in case of any claims, which are unascertainable are recognized when it is received.
- 2.02 **Business Income:** Revenue is being recognised on lease rental from respective service providers on the following basis:
 - 2.01.01 **Annual Rental:** The annual rentals have been recognised on their accrual.
 - 2.01.02 **Upfront Fees:** The upfront fees received from service providers are accounted for and considered as income in fifteen equal installments being the tenure of the lease and are being recognised from the date of receipts.
- 2.03 **Other Income:** Represents the interest earned on term deposits etc. on its accrual.



3. Expenditure:

Expenditure is recognized on accrual basis, except in case of any claims, which are unascertainable are recognized when it is settled.

4. Fixed Assets and Depreciation:

4.01 The fixed assets have been valued at cost of acquisition/development including the direct/indirect expenditure incurred, to the extent attributable to the capital works, to bring the assets to their present conditions.

4.02 The Underground Ducts and Maintenance Pits have been treated as fixed assets in view of the fact that the ownership of the same shall remain with the company.

4.03 Depreciation has been provided on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956 over their useful life on pro-rata basis for the different date of acquisition of the assets.

4.04 The Upfront fees paid/payable to West Bengal Housing Infrastructure Development Corporation Limited for lease hold right are being amortized in equal annual installments over the period of remaining lease period as per the agreement.

5. Borrowings:

Unsecured Loan has been taken from WBHIDCO Ltd.

6. Inventories:

There is no inventory.

7. Investments:

There are no investments.

8. Retirement benefits to employees:

According to the information and explanations given to us, there are no permanent employees during the year. They are all contractual in nature and as such Accounting Standard 15 issued by the Institute of Chartered Accountants of India is not applicable to the Company.

The company has a scheme of provident fund for employees under contractual agreement.

9. Use of Estimates:

The preparations of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which results are known/materialized.

10. Provision for Current Tax and Deferred Tax:

10.01 Provision for current tax is made based on tax liabilities computed in accordance with the tax rates and tax laws admissible under the provisions of the Income-tax Act, 1961. The company (being a subsidiary company of WBHIDCO Ltd.) has claimed benefit under section 80IA of the Income Tax Act, 1961 till the financial year 2008-09, since it is of the opinion that the present activities of the Company comes under the extension of creation of Infrastructural activities of New Township of WBHIDCO Ltd. (being the holding company).



10.02 There is a practice of calculating Deferred Tax (as per the Accounting Standard 22 of the ICAI) providing and recognizing on timing differences between taxable income and accounting income subject to consideration of prudence which is provided as Deferred Tax Liability or Deferred Tax Assets.

11. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

12. General

Accounting policies not specifically referred to are consistent with generally accepted accounting practices.

13. Other Notes

13.01 Internal Audit has been conducted by M/s. De Chakraborty & Sen, Chartered Accountants, Kolkata. The points which have been highlighted by the auditor have been considered while framing our audit report.

13.02 There are no amounts due to Small Scale and/or Ancillary industrial suppliers as at the close of the year for more than thirty days. The disclosure is based on the information available with the company.

13.03 Profits for the period has been arrived after adjusting prior period credit amounting to Rs. 1,28,741/- on account of depreciation wrongly charged in one or more prior periods arising out of ordinary activities undertaken by an enterprise. The effect of the same has been duly disclosed in Note No. '12', forming part of the financial statements.

13.04 Current tax includes tax of earlier years.

13.05 Previous Year figures have been regrouped and rearranged wherever necessary. Previous year figures of twelve months are not strictly comparable with the figures of the current period of twelve months.

In terms of our report of even date.

For P. K. SETHIA & CO.
Chartered Accountants
Firm Regn. No. 324367E
SATISH SETHIA
Partner
Membership No. 061557

Kolkata
Dated 20th July, 2012

For and on behalf of the Board

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Kolkata, Dated 20th July, 2012

