

DHARIWAL INFRASTRUCTURE LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting the Eighth Annual Report together with the Audited Accounts for the year ended 31 March 2014.

PROJECT STATUS

During the year both units were commissioned. Unit 1 went into commercial operation in Q4 2013-14 and unit 2 is expected to start commercial operation in Q1 2014-15. The construction of transmission lines for power evacuation is also complete. Two such transmission lines have been constructed — one connecting to the state grid and the other to the national grid. This will provide the Company flexibility in sale of power to customers from both within and outside the state.

FINANCIAL RESULTS

	Rs	Rs
	2013-14	2012-13
(Loss) / Profit before Taxation	(56,91,00,277)	(23,935,165)
Provision for Income Tax for the Current year	Nil	3,95,00,000
(Loss) / Profit after Tax	(56,91,00,277)	(63,435,165)
Balance Profit brought forward from previous year	(27,40,94,857)	(21,06,59,692)
Balance carried down to Balance Sheet	(84,31,95,134)	(27,40,94,857)

DIVIDEND

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

SHARE CAPITAL

During the year under review the authorised share capital of the Company increased from Rs.1000,00,00,000/- to Rs. 1500,00,00,000/- by creation of further 50,00,00,000 new equity shares of Rs. 10/- each. Issued and paid up Share capital of the Company increased from Rs 6867689540/- to Rs 10,357,689,540/- by issue of 34,90,00,000 new Equity Shares of Rs.10/- each to CESC Infrastructure Limited, its holding company.

DIRECTORS

Mr. S. Mitra and Mr. V. Kumar, Directors, retire by rotation and, being eligible, offer themselves for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Subsection (2AA) of Section 217 of the Act, the Board of Directors of the Company hereby state and confirm:

- i) that in the preparation of the annual accounts, the Applicable Accounting Standards have been followed along with proper explanation relating to material departures ;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments 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 31 March, 2013 and of the loss of the Company for the year ended on that date;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the annual accounts have been prepared on a going concern basis.

PUBLIC DEPOSITS

The Company has neither received nor accepted any deposits within the meaning of Section 58A of the Act and Rules made there under.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors consist of Mr. R. Jha, Mr. S. Talukdar and Mr. S. Mitra.

AUDITORS

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

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, your Company has not commenced commercial production and hence not consumed energy of significant level and, therefore, there was no scope for taking any measures for energy conservation or for making any additional investment for reduction of energy consumption. There was no technology absorption during the year. There has been no foreign exchange earnings during the year. The foreign exchange outgo during the year amounted to Rs. 76.88 Cr (Previous year-528.25) which included import of capital goods, travelling expenses, advance for equipment supply, technical services and finance cost for project related work.

PARTICULARS OF EMPLOYEES

The information as required in accordance with Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975, as amended, is set out in an annexure to this Report. However, as per the provisions of Section 219(1)(iv) of the Act, the Report and the Accounts are being sent to all the Shareholders of the Company excluding the aforesaid information. The said information is also available for inspection at the Registered Office during working hours up to the date of the Annual General Meeting.

On behalf of the Board of Directors

Sd/- V. Kumar

Sd/- S.Talukdar

DIRECTOR

DIRECTOR

27 May, 2013

BATLIBOI, PUROHIT & DARBARI
Chartered Accountants

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

INDEPENDENT AUDITORS' REPORT

To the Members of

DHARIWAL INFRASTRUCTURE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of DHARIWAL INFRASTRUCTURE 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 Batilboi, Purohit & Darbari
Chartered Accountants
Firm Registration Number: 303086E



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

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

Place: Kolkata
Dated: 28.05.14

The Annexure referred to in our report of even date to the members of Dhariwal Infrastructure Limited ('the Company') for the year ended 31st 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 Inventory have been physically verified by the Management during the year. There were no inventory in transit. In our opinion, the frequency of verification is reasonable.

In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

3. (a) 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, 1956. 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. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, income tax, sales tax, service tax, custom duty, professional tax and other material statutory dues as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, 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 immediate 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 been informed of any such case by the Management.

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



P. J. Bhide

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

Kolkata
Dated: 28.05.14

Dhariwal Infrastructure Limited

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

Balance Sheet as at 31st March, 2014

Particulars	Note No	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2.1	10,357,689,540	6,867,689,540
Reserves and surplus	2.2	(843,195,134)	(274,094,857)
Non-Current Liabilities			
Long-term borrowings	2.3	22,799,084,666	20,873,144,513
Other long-term liabilities	2.4	-	2,146,804,566
Long term provisions	2.5	6,111,154	4,945,535
Current Liabilities			
Trade payables	2.33	248,143,218	-
Short-term borrowings	2.6	-	1,881,754,945
Other current liabilities	2.7	6,657,021,421	190,344,537
Short-term provisions	2.8	56,994	39,414
Total		39,224,911,859	31,690,628,193
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.9	26,076,565,138	512,342,236
Capital work-in-progress	2.10	11,153,199,446	29,900,607,853
Long term loans and advances	2.11	1,183,312,653	895,233,653
Current assets			
Inventories	2.12	509,269,895	-
Trade receivables	2.13	131,538,587	-
Cash and bank balances	2.14	156,116,696	369,101,238
Short-term loans and advances	2.15	12,570,284	3,151,779
Other current assets	2.16	2,339,160	10,191,434
Total		39,224,911,859	31,690,628,193
Significant Accounting Policies	1		
Notes 1 - 2.34 form an Integral part of the Accounts			

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

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

P. J. Bhide

CA P.J. Bhide
Partner
Membership Number 004714

Place: Kolkata
Date: 28.05.14



For and on behalf of the Board

[Signature]
Director

[Signature]
Director

[Signature]
Secretary

[Signature]
Managing Director

Dhariwal Infrastructure Limited

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

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

Particulars	Note No	2013 - 14 ₹	2012 - 13 ₹
Revenue from operations	2.18	477,873,642	-
Other Income	2.19	214,789,593	-
Total Revenue		692,663,235	-
Expenses			
Cost of fuel	2.20	631,022,354	-
Employee benefit expenses	2.21	55,849,815	7,788,925
Finance costs	2.22	275,055,401	-
Depreciation and amortisation expenses	2.23	171,206,306	-
Other expenses	2.24	128,629,636	16,146,240
Total Expenses		1,261,763,512	23,935,165
Profit/(loss) before tax		(569,100,277)	(23,935,165)
Tax expenses:			
Current		-	39,500,000
Deferred (net)	2.32	-	-
Profit/(loss) for the year		(569,100,277)	(63,435,165)
Earnings per equity share: (Face value of ₹ 10 per share)			
Basic & Diluted	2.27	(0.83)	(0.14)
Significant Accounting Policies	1		
Notes 1 - 2.34 form an integral part of the Accounts			

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

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

CA P.J. Bhide
Partner
Membership Number 004714

Place: Kolkata
Date: 28.05.14



For and on behalf of the Board

[Signature]
Director

[Signature]
Director

[Signature]
Secretary

[Signature]
Managing Director

Dheriwal Infrastructure Limited

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

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

Particulars	2013-14		2012-13	
	₹	₹	₹	₹
Cash Flow from operating activities				
Net Profit/(Loss) before taxation	(568,100,277)		(23,935,165)	
Adjustment for :				
Depreciation	171,206,306		-	
Interest expense	275,055,401		-	
Foreign exchange rate variation	(214,789,593)		-	
Loss on sale of fixed assets	194,303		-	
Operating profit/(loss) before working capital changes	(397,433,860)		(23,935,165)	
Receivables	(929,341,661)		435,850,091	
Payables	(590,630,967)		385,458,704	
Net cash from operating activities		(1,857,407,483)		797,371,630
Cash flow from investing activities				
Purchase of fixed assets	(84,748,333)		(63,982,446)	
Purchase of capital work in progress	(2,887,131,152)		(13,987,703,066)	
Income from investment	26,273,176		76,886,194	
Interest received	9,799,463		44,648,208	
Net cash from investing activities		(2,935,706,846)		(13,928,151,110)
Cash flow from financing activities				
Issue of share capital	3,490,000,000		2,270,000,000	
Proceeds from secured loan	3,960,133,872		5,339,529,090	
Interest paid	(2,870,004,085)		-	
Proceeds from unsecured loan	-		-	
Net cash from financing activities		4,580,129,787		11,609,529,090
Net increase/(decrease) of cash & cash equivalents		(212,984,542)		(1,521,250,390)
Cash & cash equivalents - opening balance		369,101,238		1,890,351,628
Cash & cash equivalents - closing balance		156,116,696		369,101,238

Notes:

- The cash flow statement has been prepared under the Indirect method as given in the Accounting Standard on Cash Flow Statement (AS-3) as per Companies Accounting Standard Rules, 2006.
- Previous year's figures have been rearranged and/or regrouped wherever necessary.

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

For Batliboi, Purohit & Darbari
Firm Registration Number - 909086E
Chartered Accountants

CA P.J. Bhide
Partner
Membership Number 004714

Place: Kolkata
Date: 28.05.14



For and on behalf of the Board

[Signature] Director
[Signature] Director

[Signature]
Secretary

[Signature]
Managing Director

NOTE-1 SIGNIFICANT ACCOUNTING POLICIES

1.1 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 the Companies Act, 2013 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.

1.2 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.

1.3 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 to the 'Straight Line' method, at the rates prescribed in Schedule XIV to the Companies Act, 1956. 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 ₹ 507,491,191/- out of which ₹ 9,185,573/- relates to the period upto 31st March 2013.

Had the Company continued to use the earlier method of depreciation, the loss for the current year would have been higher by ₹ 325,703,894/-

1.4 Expenditure During Construction

The Company is setting up a 2x300 MW Thermal Power Plant in Chandrapur near Nagpur in the state of Maharashtra. Unit 1 of the Project has commenced commercial production from 11th February, 2014. Accordingly project expenses together with incidental expenses incurred till 10th February 2014 pertaining to Unit 1 of the Project along with common facilities have been capitalized.

Indirect Expenses related to Unit 2 of the Project and incidental thereto are disclosed as "Miscellaneous Project Expenses" under Capital Work – in – Progress and are to be capitalized subsequently.

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

1.5

a) Tangible Fixed Assets

Tangible Assets are stated at cost of acquisition together with any incidental expenses related to acquisition and appropriate borrowing costs. The cost also includes pre-operative expenses and where applicable, expenses during trial run after netting off income arising from temporary use of funds pending utilization.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets.

In case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.



b) Depreciation/Amortisation:

Depreciation on tangible assets is provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956.

Leasehold Land is amortized 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.

1.6 Revenue Recognition

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

Revenue from sale of electricity are net of discount for prompt payment of bills and are accounted for on the basis of billings to the procurer.

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

1.7 Taxes on Income

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

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

1.8 Foreign Exchange Transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rate prevailing at the end of the financial year. Exchange gain or loss 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 and the impact of the contracts entered into for managing risks there under is accounted as an income or expense.

1.9 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.

1.10 Finance Costs

Finance Costs comprise interest expenses, applicable gain/loss on foreign currency borrowings in appropriate cases and other borrowing costs. Such Finance Costs attributable to acquisition and/or construction of qualifying assets are capitalized as a part of costs of such assets upto the date when such assets are ready for their intended use. The balance Finance Costs are charged off to revenue. Finance costs in case of foreign currency borrowings are accounted for as appropriate, duly considering the impact of the contracts entered into for managing risks thereof.



Dhariwal Infrastructure Limited

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

Note - 2.1**SHARE CAPITAL**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Authorised Share Capital		
1,500,000,000 (Previous Year: 1000,000,000) Equity Shares of ₹ 10 each	15,000,000,000	10,000,000,000
Issued, Subscribed and Paid - up Capital		
1,035,768,954 (Previous Year : 686,768,954) Equity Shares of ₹ 10 each, fully paid	10,357,689,540	6,867,689,540

(a) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 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 shares outstanding at the beginning and at the end of 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	686,768,954	6,867,689,540	459,768,954	4,597,689,540
Add: Equity Shares Issued during the year	349,000,000	3,490,000,000	227,000,000	2,270,000,000
Shares outstanding at the end of the year	1,035,768,954	10,357,689,540	686,768,954	6,867,689,540

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

Name of shareholders	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	%	No. of shares	%
CESC Infrastructure Limited	1,035,768,954	100	686,768,954	100

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

Note - 2.2**RESERVES & SURPLUS**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Surplus/Deficit		
Debit Balance in the Profit and Loss Statement at the beginning of the year	(274,094,857)	(210,659,692)
Add: Net Profit/(Loss) for the year	(569,100,277)	(63,435,165)
Debit Balance in the Profit and Loss Statement at the end of the year	(843,195,134)	(274,094,857)



Dhariwal Infrastructure Limited

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

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	16,015,100,000	12,350,000,000
(2) Foreign currency loans from banks	<u>11,777,925,346</u>	<u>8,523,144,513</u>
	<u>27,793,025,346</u>	<u>20,873,144,513</u>
(B) Unsecured	-	-
	<u>27,793,025,346</u>	<u>20,873,144,513</u>
Less: Current maturities of long term borrowings transferred to other current liabilities (Refer Note:2.7)	4,993,940,680	
	<u>22,799,084,666</u>	<u>20,873,144,513</u>

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

(2) Out of the total Foreign Currency Loans in (A) above, loans amounting to ₹ 9,963,225,346/- are secured with first charge by way of mortgage/hypothecation of the fixed assets of the company including its land, buildings, the construction thereon where exists, plant and machinery etc, and hypothecation of Company's current assets and loan amounting ₹ 181,47,00,000/- is secured with second charge by way of hypothecation of movable fixed assets and current assets of the Company.

(4) Major terms of repayment of long term loans disclosed in (A) & (B) above are given below.

Maturity Profile	Balance Outstanding as on 31.03.2014		Amount (₹)
	Rupee Term Loan from Banks	Foreign Currency Loans	
Loans with residual maturity of upto 1 year	-	4,993,940,680	
Loans with residual maturity between 1 and 3 years	-	-	
Loans with residual maturity between 3 and 5 years	-	-	
Loans with residual maturity between 5 and 10 years	-	1,814,700,000	
Loans with residual maturity beyond 10 years	16,015,100,000	4,969,284,666	
Total	<u>16,015,100,000</u>	<u>11,777,925,346</u>	
Interest on Rupee Term Loan from banks are based on spread over Lenders' benchmark rates and that of foreign currency loans are based on spread over LIBOR.			



Note - 2.4**OTHER LONG TERM LIABILITIES**

Particulars	As at	As at
	31st March, 2014	31st March, 2013
	₹	₹
Retention monies and other long term liabilities	-	2,146,804,566
	-	<u>2,146,804,566</u>

Note - 2.5**LONG -TERM PROVISIONS**

Particulars	As at	As at
	31st March, 2014	31st March, 2013
	₹	₹
Provision for employee benefits	6,111,154	4,945,535
	<u>6,111,154</u>	<u>4,945,535</u>

Note - 2.6**SHORT TERM BORROWINGS**

Particulars	As at 31st March, 2014			As at 31st March, 2013		
	Secured (₹)	Unsecured (₹)	Total (₹)	Secured (₹)	Unsecured (₹)	Total (₹)
Foreign currency loans from banks	-	-	-	1,881,754,945	-	1,881,754,945
	-	-	-	<u>1,881,754,945</u>	-	<u>1,881,754,945</u>

- (1) The above loans are secured with first charge by way of equitable mortgage/hypothecation of fixed assets of the company including its land, buildings, the construction thereon where exists, plant and machinery etc., and hypothecation of Company's current assets.
- (2) The security for the above foreign currency loans rank pari passu Inter se.

Note - 2.7**OTHER CURRENT LIABILITIES**

Particulars	As at	As at
	31st March, 2014	31st March, 2013
	₹	₹
Current maturities of long term borrowings transferred (Refer Note:2.3)	4,993,940,680	-
Interest Accrued but not due	165,147,215	138,961,354
Other borrowing costs accrued	741,802	819,068
Liability on capital account	1,486,693,736	40,609,796
Other liabilities	10,497,988	9,954,319
	<u>6,657,021,421</u>	<u>190,344,537</u>

Note - 2.8**SHORT TERM PROVISIONS**

Particulars	As at	As at
	31st March, 2014	31st March, 2013
	₹	₹
Provision for employee benefits	56,994	39,414
	<u>56,994</u>	<u>39,414</u>



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NOTE - 2.9

TANGIBLE ASSETS:

PARTICULARS	GROSS BLOCK AT COST OR VALUATION			DEPRECIATION/AMORTIZATION			NET BLOCK	
	As at 1st April, 2013	Additions /Adjustments	As at 31st March, 2014	As at 1st April, 2013	Additions /Adjustments	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
Land - Leasehold	340,107,909	11,468,700	351,576,609	12,608,448	3,592,652	16,201,100	335,375,509	327,499,461
Land - Freehold	157,266,878	42,439,050	199,705,928	-	-	-	199,705,928	157,266,878
Buildings and structures	-	-	-	-	-	-	-	-
Plant building	12,677,990	3,527,879,665	456,130,627	12,677,990	15,818,432	14,325,372	3,512,061,233	441,805,255
Non plant building	-	443,452,637	-	-	1,647,382	-	441,805,255	-
Plant and machinery	-	21,044,327,338	21,044,327,338	-	149,166,805	149,166,805	20,895,160,533	-
Railway sidings	-	634,293,118	634,293,118	-	4,044,705	4,044,705	630,248,413	-
Furniture & fixtures	19,040,362	5,430,709	24,471,071	6,113,019	1,311,773	3,741,897	20,729,174	12,827,343
Vehicles	1,773,637	3,698,771	682,405	945,860	195,204	430,037	4,359,966	827,777
Office equipment	24,152,240	21,520,710	45,672,950	10,331,463	3,216,342	8,553,823	37,119,127	13,830,777
Previous Year	555,019,016	25,734,310,698	26,289,347,309	42,676,780	178,993,299	212,282,171	26,076,565,118	517,342,736
	491,036,571	63,982,645	555,019,016	32,559,654	10,117,115	42,676,780	517,342,736	

* Adjustments for the period includes ₹ 9,185,573/- (Previous Year : ₹ Nil) relating to period upto 31st March, 2013 due to change in Accounting Policy (Refer Note - 1 (1.3)).



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Note - 2.10**CAPITAL WORK-IN-PROGRESS**

	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
CAPITAL WORK - IN - PROGRESS PENDING ALLOCATION AS UNDER		
Land development and other site enabling activities	-	215,336,050
Plant & equipment	7,737,624,197	22,594,895,535
Buildings and structures	7,923,756	72,447,209
Railway siding	88,144,891	443,241,220
Intake water system	-	476,644,146
Power evacuation	703,301,322	714,833,370
Bed ash disposal system	70,428,855	145,085,612
Commissioning cost	63,956,647	364,113,038
Finance charges (net)	1,963,304,575	4,025,716,948
Consultancy services	35,650,785	219,023,832
Miscellaneous project expenses	482,864,418	610,125,412
Depreciation/ amortisation	-	19,145,481
	11,153,199,446	29,900,607,853
Previous Year	29,900,607,853	16,023,912,397



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Note - 2.11**LONG TERM LOANS AND ADVANCES**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
(Unsecured, Considered good)		
Capital advances	871,015,754	843,184,200
Security deposits	50,730,288	49,044,175
Other advances	261,566,611	3,005,278
	<u>1,183,312,653</u>	<u>895,233,653</u>

Note - 2.12**INVENTORIES**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
(a) Fuel	477,162,678	-
(b) Stores & spares	32,107,217	-
	<u>509,269,895</u>	<u>-</u>

Note - 2.13**TRADE RECEIVABLES**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Secured, considered good		
Outstanding for a period less than 6 months	131,538,587	-
	<u>131,538,587</u>	<u>-</u>

Note - 2.14**CASH AND BANK BALANCES**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
(a) Cash and cash equivalents		
- Balances with banks in current account	156,055,213	41,084,255
- Cash on hand	21,483	82,761
(b) Other bank balances		
- Bank deposits with original maturity more than 3 months (Refer note (c) below)	40,000	327,934,222
	<u>156,116,696</u>	<u>369,101,238</u>

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



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Note - 2.15**SHORT TERM LOANS & ADVANCES**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Advance tax	12,236,711	2,975,299
(Unsecured, Considered good) Other advances	933,573	176,480
	<u>12,570,284</u>	<u>3,151,779</u>

Note - 2.15**OTHER CURRENT ASSETS**

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Receivable towards claims and services rendered	290,360	-
Interest accrued on deposits	2,048,800	10,191,434
	<u>2,339,160</u>	<u>10,191,434</u>

Note - 2.17**Contingent Liability and Commitment(to the extent not provided for)**

Estimated amount of contract remaining to be executed on Capital Account: ₹ 877,989,456/- (Previous Year - ₹ 2,437,818,838/-)



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Note - 2.18**REVENUE FROM OPERATIONS**

Particulars	2013-14 ₹	2012-13 ₹
Earnings from sale of electricity	476,397,617	-
Other operating revenue	1,476,025	-
	<u>477,873,642</u>	<u>-</u>

Note - 2.19**OTHER INCOME**

Particulars	2013-14 ₹	2012-13 ₹
Interest Income	11,110,515	119,476,954
Gain on sale of current investments (Net)	26,273,176	169,333,377
Foreign exchange restatement gain	214,789,593	-
	<u>252,173,284</u>	<u>288,810,331</u>
Less: Allocated to capital account (Refer Note 2.10)	(37,383,691)	(288,810,331)
	<u>214,789,593</u>	<u>-</u>

Note - 2.20**COST OF FUEL**

Particulars	2013-14 ₹	2012-13 ₹
Consumption of coal		
Quantity Tonnes	143,080	-
Value	616,956,383	-
Consumption of oil		
Quantity Kilolitres	218	-
Value	14,065,971	-
	<u>631,022,354</u>	<u>-</u>

Cost of fuel includes freight ₹ 9,88,13,376/- (Previous year : ₹ Nil)

Note - 2.21**EMPLOYEE BENEFIT EXPENSES**

Particulars	2013-14 ₹	2012-13 ₹
Salaries, wages and bonus	174,270,695	101,473,821
Contribution to provident and other funds	6,423,160	4,993,768
Staff welfare expenses	5,042,712	2,800,944
	<u>185,736,567</u>	<u>109,268,533</u>
Less: Allocated to capital account (Refer Note 2.10)	(129,886,752)	(101,479,608)
	<u>55,849,815</u>	<u>7,788,925</u>

Employee Benefits:-

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

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



Amount recognised in the Balance Sheet are as follows:

	Gratuity (Unfunded)					Leave Encashment (Unfunded)				
	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
Present value of un-funded obligation	2,392,440	1,084,209	1,117,838	353,421	275,043	3,775,708	3,100,740	2,147,909	1,592,596	949,589
Net liability	2,392,440	1,084,209	1,117,838	353,421	275,043	3,775,708	3,100,740	2,147,909	1,592,596	949,589
Amount recognised in the Profit and Loss Statement and charged to Salaries, Wages and Bonus as follows:										
Current Service cost	965,449	598,362	498,250	207,701	275,043	265,867	163,352	146,798	714,645	81,698
Interest cost	154,505	67,305	28,274	22,003	-	227,122	154,163	121,885	68,403	-
Net actuarial (gain)/loss recognised during the year	(611,723)	807,578	247,893	(151,326)	-	(843,902)	1,407,397	424,695	49,059	(67,891)
Total	508,231	1,473,645	774,417	78,378	275,043	1,336,891	1,774,512	693,378	832,107	848,586
Reconciliation of opening and closing balances of the present value of the obligations:										
Opening defined benefit obligation	1,584,209	1,127,838	353,421	275,043	-	3,100,740	2,147,909	1,592,596	949,589	-
Current Service cost	965,449	598,362	498,250	207,701	275,043	265,867	163,352	146,798	714,645	81,698
Interest cost	154,505	67,305	28,274	22,003	-	227,122	154,163	121,885	68,403	-
Actuarial (gain)/loss	(611,723)	807,578	247,893	(151,326)	-	(843,902)	1,407,397	424,695	49,059	(67,891)
Benefits paid	-	(737,274)	-	-	-	(661,973)	(772,081)	(138,065)	(189,100)	-
Closing Defined Benefit Obligation	2,392,440	1,084,209	1,117,838	353,421	275,043	3,775,708	3,100,740	2,147,909	1,592,596	949,589

Principal Actuarial Assumption Used:
 Discount Rates 8.20%
 Expected Salary Increase Rates 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 ascertainable and therefore not disclosed.



8.00%
5.00%

8.00%
5.00%

8.20%
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Note - 2.22**FINANCE COSTS**

Particulars	2013-14	2012-13
	₹	₹
Interest expenses	2,889,720,642	2,085,955,886
Other borrowing costs	146,172,460	107,068,201
Applicable net loss on foreign currency transactions & translation	1,077,992,016	542,321,495
	<u>4,113,885,118</u>	<u>2,735,345,582</u>
Less: Allocated to capital account (Refer Note 2.10)	(3,838,829,717)	(2,735,345,582)
	<u>275,055,401</u>	-

Note - 2.23**DEPRECIATION AND AMORTISATION EXPENSES**

Particulars	2013-14	2012-13
	₹	₹
Depreciation/amortisation on tangible assets	178,993,295	10,117,116
	<u>178,993,295</u>	<u>10,117,116</u>
Less: Allocated to capital account (Refer Note 2.10)	(7,786,989)	(10,117,116)
	<u>171,206,306</u>	-

Note - 2.24**OTHER EXPENSES**

Particulars	2013-14	2012-13
	₹	₹
Consumption of stores and spares	18,587,141	-
Repairs		
Plant and machinery	55,743,809	-
Others	788,453	-
Rent	7,376,024	3,236,955
Power and fuel	22,534,369	55,494,180
Travelling and conveyance expenses	22,983,612	22,076,235
Communication expenses	2,538,117	2,571,338
CSR expenses	9,182,619	5,819,477
Legal and professional charges	5,140,539	6,028,335
Insurance charges	5,167,108	13,127,359
Fees/charges to other authorities	14,929,042	17,913,664
Remuneration to auditors		
- Statutory audit	140,450	112,360
- Tax audit	33,708	33,708
- Other charges	11,236	26,355
Safety and security charges	8,753,979	4,856,031
Guest house maintenance	11,483,073	9,063,441
General charges	31,763,806	22,326,358
Loss on sale of fixed assets	194,303	-
	<u>217,351,388</u>	<u>162,685,796</u>
Less: Allocated to capital account (Refer Note 2.10)	(88,721,752)	(146,539,556)
	<u>128,629,636</u>	<u>16,146,240</u>



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Note - 2.25 C.I.F VALUE OF IMPORTS

Particulars	2013-14 Amount (₹)	2012-13 Amount (₹)
Capital Goods	9,047,111	4,495,408,008

Note - 2.26 EXPENDITURE IN FOREIGN CURRENCY

Particulars	2013-14 Amount (₹)	2012-13 Amount (₹)
Travelling	515,587	660,872
Finance Costs	411,962,155	356,886,275
Milestone/Stages for Equipment Supply	295,033,873	398,753,393
Technical Services	52,286,151	30,783,632

Note - 2.27 EARNINGS PER SHARE:**Computation of earnings per share**

Particulars	2013-14	2012-13
Profit/(Loss) After Tax (₹) (A)	(5691,002,77)	(63,435,165)
Weighted Average No. of Equity Shares for Earnings per Share (B)	687,725,118	461,012,790
Basic and Diluted Earnings Per Share of ₹10/- [(A)/(B)]	(0.83)	(0.14)

Note - 2.28**DISCLOSURE IN RESPECT OF RELATED PARTIES:**

	Nature of Relationships	Name of Related Parties
i)	CESC Infrastructure Limited	Direct Holding Company
ii)	CESC Limited	Ultimate Holding Company
iii)	Spencer's Retail Limited, Music World Retail Limited, Au Bon Pain Café India Limited, Nalanda Power Company Limited, Haldia 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)#, Ranchi Power Distribution Company Pvt Ltd.	Fellow Subsidiary Company
iv)	Mr. Madan Gopal Gupta	Key Management personnel



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Details of transaction between the company and related parties are given under:

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.	-	-	3,490,000,000	2,270,000,000	-	-	-	-
Issue of fully paid up Equity shares.	-	-	3,490,000,000	2,270,000,000	-	-	-	-
Contractual Remuneration	16,075,466	11,503,971	18,760,070	-	-	-	-	-
Other expenses.	29,020	2,019,213	461,752	-	-	-	-	-
Expenses Recoverable	107,100	-	183,260	-	-	-	-	-
Salary Paid- Anirban Mukhopadhyay	-	-	-	-	-	-	-	1,967,876
Madan Gopal Gupta	-	-	-	-	-	-	20,938,001	-
Balance								
Debit:	-	-	-	-	-	-	-	-
Credit:	37,711,180	21,713,794	19,038,562	-	-	-	-	-

* With effect from 31st December, 2013.

Dissolved during the year.

Note - 2.29

Out of the outstanding Foreign currency loans of ₹ 11,777,925,346 /- (Previous year: ₹ 10,404,899,458) disclosed in Note: 2.3, loan balance amounting to ₹ 11,527,253,044/- (Previous Year: ₹ 10,177,806,680/-) stands hedged in Indian Rupee and ₹ 250,672,302/- (Previous Year: ₹ 227,092,778) representing payable in United States Dollar which has not been hedged.

Note - 2.30

QUANTITATIVE INFORMATION

		Million kWh	
		2013-14	2012-13
1	Total number of units generated during the year	189	-
2	Total number of units consumed in Generating Stations	22	-
3	Total number of units sent out	167	-



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Note - 2.31

The Company is presently in the process of setting up a 2x300 MW power plant. Unit 1 of the project has commenced commercial production from 11th February, 2014. The Company does not operate in any other segment.

Note - 2.32

DEFERRED TAX

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
Deferred Tax Liabilities		
Excess of tax depreciation over book depreciation	555,257,860	-
Deferred Tax Assets		
Unabsorbed business Loss (to the extent of deferred tax liability)	555,257,860	-
Net	-	-

Note - 2.33

Trade payables include ₹ Nil (31.03.2013: ₹ Nil) due to Micro and Small Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, based on information available with the Company.

Note - 2.34

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: 28.05.14



For and on behalf of the Board

Director
Director
Secretary
Managing Director