

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Dhariwal Infrastructure Limited

Report on the Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of **Dhariwal Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



INDEPENDENT AUDITORS' REPORT
To the Members of Dhariwal Infrastructure Limited
Report on the Ind AS Financial Statements
Page 2 of 3

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the 'Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure - A a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure - B.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements.



Chartered Accountants

INDEPENDENT AUDITORS' REPORT
To the Members of Dhariwal Infrastructure Limited
Report on the Ind AS Financial Statements
Page 3 of 3

- ii) The Company has made provisions as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

Kolkata
Dated: May 22, 2018



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

(CA P J Bhide)
Partner
Membership Number 004714

Annexure - A to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Dhariwal Infrastructure Limited on the Ind AS financial statements for the year ended March 31, 2018

Page 1 of 2

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties are held in the name of the Company.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

(b) The discrepancies noted on physical verification of inventory as compared to book records has been properly dealt with in the books of account and were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause (iii)(a) to (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. 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 specified under sub-section (1) of Section 148 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.
- vii. (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, wealth tax, service tax, goods and services tax, duty of customs, value added tax, cess 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, sales tax, wealth tax, service tax, goods and services tax, duty of customs, value added tax or cess which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.



Annexure - A to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Dhariwal Infrastructure Limited on the Ind AS financial statements for the year ended March 31, 2018

Page 2 of 2

- ix. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments but has taken term loans. The term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Kolkata
Dated: May 22, 2018



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

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

(CA P J Bhide)
Partner
Membership Number 004714

Annexure - B to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Dhariwal Infrastructure Limited on the Ind AS financial statements for the year ended March 31, 2018
Page 1 of 2

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Dhariwal Infrastructure Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial



Annexure - B to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Dhariwal Infrastructure Limited on the Ind AS financial statements for the year ended March 31, 2018
Page 2 of 2

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Kolkata
Dated: May 22, 2018



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

(CA P J Bhide)
Partner
Membership Number 004714

Dhariwal Infrastructure Limited
CIN: U70109WB2006PLC111457
Telephone: +91 33 6634 0754
E-mail: dhariwalinfrastructure@rp-sg.in
Registered Office: CESC House, Chowringhee Square, Kolkata - 700001

Balance Sheet as at March 31, 2018

(₹ in crore)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
1) Non-current assets			
a. Property, plant and equipment	2	3,565.63	3,640.40
b. Capital work in progress		11.40	11.03
c. Financial assets			
i. Loans	3	0.36	0.57
d. Other non-current assets	4	35.19	34.50
Total non-current assets		3,612.58	3,686.50
2) Current assets			
a. Inventories	5	53.04	72.68
b. Financial assets			
i. Trade receivables	6	227.32	125.58
ii. Cash and cash equivalents	7	14.05	174.58
iii. Bank balances other than (ii) above	8	7.58	0.07
iv. Loans	9	0.31	0.30
v. Other financial assets	10	6.20	68.24
c. Current tax assets (net)		7.65	0.69
d. Other current assets	11	98.98	35.33
Total current assets		415.13	477.47
Total assets		4,027.71	4,163.97
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	12	2,082.77	1,275.77
b. Other equity	13	(1,566.42)	(560.52)
Total Equity		516.35	715.25
LIABILITIES			
1) Non-current liabilities			
a. Financial liabilities			
i. Borrowings	14	3,040.55	3,164.33
b. Provisions	15	2.35	2.34
c. Deferred tax liabilities (net)	30	-	-
Total non-current liabilities		3,042.90	3,166.67
2) Current liabilities			
a. Financial liabilities			
i. Borrowings	16	325.67	92.83
ii. Trade payables	17	44.47	18.86
iii. Other financial liabilities	18	94.11	168.57
b. Other current liabilities	19	2.55	1.35
c. Provisions	20	1.66	0.44
Total current liabilities		468.46	282.05
Total liabilities		3,511.36	3,448.72
Total equity and liabilities		4,027.71	4,163.97

Notes 1 - 40 form an integral part of the financial statements

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

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

P. Purohit

CA P.J. Bhide
Partner
Membership No.: 004714
Place: Kolkata
Date: May 22, 2018



For and on behalf of the Board of Directors

[Signature]
Director

[Signature]
Managing Director

[Signature]
Company Secretary

[Signature]
Chief Financial Officer

Dhariwal Infrastructure Limited

CIN: U70109WB2006PLC111457

Telephone: +91 33 6634 0754

E-mail: dhariwalinfrastructure@rp-sg.in

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

Statement of Profit and Loss for the year ended March 31, 2018

(₹ in crore)

Sl. No.	Particulars	Notes	2017-18	2016-17
I	Revenue from operations	21	859.27	445.05
II	Other income	22	36.88	64.08
III	Total income (I)+(II)		896.15	509.13
IV	Expenses			
	Cost of fuel	23	512.11	322.94
	Employee benefit expenses	24	24.16	22.09
	Finance costs	25	323.49	455.62
	Depreciation and amortisation expenses	26	104.20	103.30
	Other expenses	27	130.77	89.08
	Total expenses		1,094.73	993.03
V	Profit/(loss) before tax (III-IV)		(198.58)	(483.90)
VI	Tax expense	30	-	-
	- Current tax		-	-
	- Deferred tax		-	-
	Total tax expense		-	-
VII	Profit/(loss) for the period from continuing operations (V-VI)		(198.58)	(483.90)
VIII	Other Comprehensive income			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(0.32)	(0.35)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Other comprehensive income for the year, net of tax		(0.32)	(0.35)
IX	Total comprehensive income for the year		(198.90)	(484.25)
	Earning per equity share	28	₹	₹
	Basic & Diluted (Face value of ₹ 10 per share) on PAT		(1.17)	(4.03)
	Basic & Diluted (Face value of ₹ 10 per share) on TCI		(1.18)	(4.03)

Notes 1 - 40 form an integral part of the financial statements

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

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

CA P.J.Bhide
Partner
Membership No.: 004714
Place: Kolkata
Date: May 22, 2018



For and on behalf of the Board of Directors

[Signature]
Director

[Signature]
Managing Director

[Signature]
Company Secretary

[Signature]
Chief Financial Officer

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Statement of Cash Flow for the year ended March 31, 2018

(₹ in crore)

Particulars	2017-18	2016-17
A. Cash flow from Operating Activities		
Profit/(loss) before Taxation	(198.58)	(483.90)
Adjustments for :		
Loss on sale of fixed assets	0.01	-
Depreciation and amortisation expenses	104.20	103.30
Gain on sale of current investments (net)	0.00	(2.17)
Finance costs	323.49	455.62
Interest Income	(7.97)	(0.55)
Notional Income	(0.09)	(0.10)
MTM loss on derivative	62.61	16.25
Liability written back	-	(26.20)
Foreign exchange rate variation	(26.91)	(24.85)
Operating Profit before Working Capital changes	256.76	37.40
Adjustments for :		
(Increase)/Decrease in trade & other receivables	(101.74)	(43.20)
(Increase)/Decrease in inventories	19.64	9.84
(Increase)/Decrease in other non current assets	(59.99)	7.53
Increase/(Decrease) in provisions	0.91	0.69
Increase/(Decrease) from other current liabilities	(1.54)	(91.14)
Increase/(Decrease) from trade and other payables	25.61	1.53
Cash Generated from Operations	139.65	(77.35)
Income Tax paid	-	-
Net cash used in Operating Activities	139.65	(77.35)
B. Cash flow from Investing Activities		
Purchase of property, plant and equipment / capital work-in-progress (net)	(29.83)	(15.61)
Proceeds from sale of property, plant and equipment	0.02	-
Sale/(purchase) of non current investments (net)	-	0.01
Sale/(purchase) of current investments (net)	0.00	2.17
Interest received	7.79	0.46
Net cash used in Investing Activities	(22.02)	(12.97)
C. Cash flow from Financing Activities		
Proceeds from issue of share capital	-	100.00
Proceeds from issue of share application money	-	807.00
Proceeds from long term borrowings (net of re-finance loan)	58.42	(63.90)
Repayment of long term borrowings	(217.19)	-
Net increase / (decrease) in cash credit facilities and other short term borrowings	232.84	(146.54)
Finance costs paid	(352.23)	(453.80)
Net Cash flow from Financing Activities	(278.16)	242.76
Net Increase / (decrease) in cash and cash equivalents	(160.53)	152.44
Cash and Cash equivalents - Opening Balance	174.58	22.14
Cash and Cash equivalents - Closing Balance	14.05	174.58

Cash and cash equivalents comprises of

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- In current accounts	14.05	65.71
- Bank Deposits with original maturity of upto 3 months	-	108.85
Cash on hand	0.00	0.02
Total	14.05	174.58

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

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

CA P. J. Bhide
Partner
Membership No.: 004714
Place: Kolkata
Date: May 22, 2018



For and on behalf of the Board of Directors

Director

Managing Director

Company Secretary

Chief Financial Officer

Dhariwal Infrastructure Limited

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Statement of Changes in Equity for the year ended March 31, 2018**a. Equity Share Capital**

(₹ in crore)

For financial year ended March 31, 2018

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Shares	1,275.77	807.00	2,082.77

For financial year ended March 31, 2017

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Shares	1,175.77	100.00	1,275.77

b. Other Equity

For financial year ended March 31, 2018

Particulars	Share application money pending allotment	Reserves and Surplus	Total
		Retained Earnings	
Balance at the beginning of the reporting period	967.00	(1,527.52)	(560.52)
Profit/(Loss) for the year	-	(198.58)	(198.58)
Other Comprehensive Income	-	(0.32)	(0.32)
Total Comprehensive Income for the year	-	(198.90)	(198.90)
Share Application money pending allotment	(807.00)	-	(807.00)
Balance at the end of the reporting period	160.00	(1,726.42)	(1,566.42)

For financial year ended March 31, 2017

Particulars	Share application money pending allotment	Reserves and Surplus	Total
		Retained Earnings	
Balance at the beginning of the reporting period	160.00	(1,043.27)	(883.27)
Profit/(Loss) for the year	-	(483.90)	(483.90)
Other Comprehensive Income	-	(0.35)	(0.35)
Total Comprehensive Income for the year	-	(484.25)	(484.25)
Share Application money pending allotment	807.00	-	807.00
Balance at the end of the reporting period	967.00	(1,527.52)	(560.52)

This is the Statement of Changes in Equity referred to in our Report of even date.

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

CA P.J. Bhide
Partner
Membership No.: 004714
Place: Kolkata
Date: May 22, 2018



For and on behalf of the Board of Directors

Director
Managing Director
Company Secretary
Chief Financial Officer

Dhariwal Infrastructure Limited

CIN: U70109WB2006PLC111457

Telephone: +91 33 6634 0754

E-mail: dhariwalinfrastructure@rp-sg.in

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

Notes forming part of Financial Statements

Note 1:

A. SIGNIFICANT ACCOUNTING POLICIES

I) Accounting Convention

The operations of the Company are governed by the Electricity Act, 2003, as applicable. These financial statements have been prepared to comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013.

A summary of important accounting policies which have been applied consistently are set out below.

The financial statements are presented in Indian Rupees and all values are rounded to the nearest crore, except otherwise indicated.

II) Basis of Accounting

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under historical cost convention on accrual basis except for the following:

- a) certain financial assets and liabilities including derivative instruments measured at fair value
- b) defined benefit plans - plan assets measured at fair value

III) Expenditure During Construction

Capital expenditure incurred in a year is capitalized together with incurred expenses on the date such assets are put to use.

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

IV) Accounting estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

V) Property Plant & Equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. These are included in profit or loss within other gains/ losses. The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively. An impairment loss is recognized where applicable, when the carrying value of tangible assets exceeds its market value or value in use, whichever is higher.



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E-mail: dhariwalinfrastructure@rp-sg.in

Registered Office: CESC House, Chowringhee Square, Kolkata – 700001**Notes forming part of Financial Statements****b) Depreciation**

Depreciation on items of property, plant and equipment other than freehold land is provided on straight line method based on the useful life as prescribed under Schedule II of the Companies Act, 2013. Leasehold land is amortized over the unexpired period of the lease. Building constructed over leasehold land are depreciated based on the useful life specified in Schedule II or the lease tenure, whichever is lower.

c) Capital Work In Progress

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date.

VI) Inventories

Inventories of stores and spares and fuel are valued at lower of cost and net realizable value. Cost is calculated on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, adjustment is made for such items.

VII) Taxes

Income tax expense comprises current and deferred tax. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax represents the amount payable based on computation of tax as per prevailing taxation laws under the income Tax Act, 1961.

Provision for deferred taxation is made using liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. Deferred tax assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof.

VIII) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks. Bank overdrafts are shown within current borrowings in the balance sheet.

IX) Foreign Currency Transactions

The Company's financial statements are presented in Indian Rupees which is also the functional currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.



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Notes forming part of Financial Statements

Outstanding loans repayable in foreign currency are restated at the year-end exchange rate. Exchange gains and losses arising in respect of such restatement and the impact of the contracts entered into for managing risks thereunder is accounted for as an income or expense.

X) Financial Asset

The financial assets are classified under the following categories:

- a) financial assets measured at amortized cost;
- b) financial assets measured at fair value through profit and loss;

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual cash flows.

At initial recognition the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit & Loss.

Financial assets measured at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method. The losses arising from impairment are recognized in the Statement of Profit and Loss.

Financial instruments measured at fair value through profit and loss (FVTPL)

Financial instruments included within fair value through profit and loss category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in Statement of Profit and Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

XI) Financial Liabilities

Financial liabilities are measured at amortized cost using the effective interest rate method.

XII) Derivatives

The Company uses derivative financial instruments such as forward currency contracts, interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses arising from such fair valuation of derivatives is recognised through Statement of Profit and Loss.

XIII) Employee Benefits

Contribution to Provident fund is accounted for on accrual basis. Provident fund contributions are made to a fund administered through the Office of The Regional Provident Fund Commissioner, West Bengal.



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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.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Re measurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

XIV) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that the future economic benefits will flow to the entity.

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.

XV) Finance Costs

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

XVI) Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalised at fair value or present value of minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term.

XVII) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of obligation can be estimated reliably.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.



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Notes forming part of Financial Statements

B. Summary of significant judgements and assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The areas involving critical estimates or judgements are:

Impairment of Trade Receivables: Note - 6

Estimates used in Actuarial Valuation of Employee benefits: Note – 29



Notes forming part of Financial Statements

2. Property, plant and equipment

(₹ in crore)

Particulars	Freehold Land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Railway Sidings	Total	Capital work in progress
Gross carrying value										
At April 1, 2017	23.14	33.17	422.60	3,304.39	2.27	0.38	3.11	59.00	3,848.06	11.03
Additions	-	-	7.26	20.91	0.30	0.35	0.65	-	29.47	0.37
Disposals / adjustments	-	-	-	-	-	0.07	-	-	0.07	-
Gross carrying amount as at March 31, 2018	23.14	33.17	429.86	3,325.30	2.57	0.66	3.76	59.00	3,877.46	11.40
Accumulated depreciation										
At April 1, 2017	-	0.74	35.06	161.18	0.65	0.14	1.83	8.06	207.66	-
Depreciation expense	-	0.37	17.93	80.70	0.36	0.08	0.74	4.02	104.20	-
Disposals / adjustments	-	-	-	-	-	0.03	-	-	0.03	-
At March 31, 2018	-	1.11	52.99	241.88	1.01	0.19	2.57	12.08	311.83	-
Net carrying value March 31, 2018	23.14	32.06	376.87	3,083.42	1.56	0.47	1.19	46.92	3,565.63	11.40
Net carrying value March 31, 2017	23.14	32.43	387.54	3,143.21	1.62	0.24	1.28	50.94	3,640.40	11.03

i) Property, plant and equipment pledged as security

Refer note no 14 and 16 for information on property, plant & equipment pledged as security by the company.

ii) Contractual obligations

Refer note no 31a for disclosure of contractual commitments for the acquisition of property, plant & equipment.

iii) Capital work - in - progress

Capital work-in-progress mainly comprises of railway sidings and other infrastructure works.

iv) Rate of Depreciation/ Useful Life of Tangible Assets

Particulars	Rate of Depreciation / Useful Life of Assets
Buildings	3 - 60 Years
Plant and equipment	40 Years
Furniture and fixtures	10 Years
Vehicles	10 Years
Office equipment	5 Years
Railway sidings	15 Years

The lease term in respect of land acquired under finance lease is 95 years which is renewable at the option of the lessor.



Notes forming part of Financial Statements

(₹ in crore)

Non current assets

Financial assets

3. Loans

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured considered good		
Loans to employees	0.36	0.57
Total	0.36	0.57

4. Other non current assets

Particulars	As at March 31, 2018	As at March 31, 2017
Capital advances	-	15.74
Unamortised front end fee	35.19	18.76
Total	35.19	34.50

Current Assets

5. Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
Stock in Trade		
Stores and Spares (includes goods in transit ₹ Nil ; March 31, 2017: ₹ Nil)	27.70	24.92
Fuel (includes goods in transit ₹ 3.12 crore ; March 31, 2017: ₹ 2.90 crore)	25.34	47.76
Total	53.04	72.68

Financial assets

6. Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured considered good		
Trade Receivables	227.32	125.58
Less: Allowances for bad and doubtful debt	-	-
Total	227.32	125.58



Notes forming part of Financial Statements

(₹ in crore)

7. Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- In current accounts	14.05	65.71
- Bank Deposits with original maturity of upto 3 months	-	108.85
Cash on hand	0.00	0.02
Total	14.05	174.58

8. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Bank Deposits with original maturity more than 3 months	7.58	0.07
Bank Deposits with original maturity more than 12 months	0.00	0.00
Total	7.58	0.07

9. Loans

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured considered good		
Loans to employees	0.31	0.30
Total	0.31	0.30

10. Other financial assets

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits	5.29	5.27
Interest accrued on bank deposits	0.48	0.30
Derivative asset	-	62.61
Receivable towards claims and services rendered	0.43	0.06
Total	6.20	68.24

11. Other current assets

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	5.42	8.06
Unamortised front end fee	6.28	3.79
Other Advances (coal, freight, inventory, others)	87.28	23.48
Total	98.98	35.33



Notes forming part of Financial Statements

(₹ in crore)

12. Equity share capital

a) Particulars	As at March 31, 2018	As at March 31, 2017
Authorised 3,000,000,000 (March 31, 2017 :3,000,000,000) Equity Shares of ₹ 10 each	3,000.00	3,000.00
Issued, subscribed and paid-up capital 2,082,768,954 (March 31, 2017 : 1,275,768,954) Equity Shares of ₹ 10 each, fully paid	2,082.77	1,275.77
Total	2,082.77	1,275.77

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of shares	Amount	No of shares	Amount
Equity shares outstanding at the beginning of the period	12757,68,954	1,275.77	11757,68,954	1,175.77
Add: Equity shares issued during the period	8070,00,000	807.00	1000,00,000	100.00
Equity shares outstanding at the end of the period	20827,68,954	2,082.77	12757,68,954	1,275.77

c) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. 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.

d) Shares of the company held by holding/ ultimate holding company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	No of shares	%	No of shares	%
CESC Infrastructure Limited	20827,68,954	100	12757,68,954	100

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

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	No of shares	%	No of shares	%
CESC Infrastructure Limited	20827,68,954	100	12757,68,954	100

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

f) In the period of five years immediately preceding March 31, 2018, the Company has neither issued bonus shares, bought back any equity shares nor has allotted any equity shares as fully paid up without payment being received in cash.

g) There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment

13. Other equity

Particulars	As at March 31, 2018	As at March 31, 2017
a) Retained earnings Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	(1,566.42)	(560.52)
Total	(1,566.42)	(560.52)

a) Retained earnings

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	(560.52)	(883.27)
Net profit for the period	(198.58)	(483.90)
Share application money pending allotment	(807.00)	807.00
Other Comprehensive Income	(0.32)	(0.35)
Closing balance	(1,566.42)	(560.52)

Share Application Money as above represents money received from the Company's holding company CESC Infrastructure Limited towards equity shares proposed to be issued at par. However, the timing of such allotment is yet to be decided.



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Notes forming part of Financial Statements

(₹ in crore)

Non current liabilities**Financial liabilities****14. Non current borrowings**

Particulars	As at March 31, 2018	As at March 31, 2017
Secured		
Term loans		
Rupee Term loans		
i) from banks	2,384.77	1,922.00
ii) from financial institutions	746.25	750.00
Foreign Currency Loan		
i) from banks	-	644.70
Total non current borrowings	3,131.02	3,316.70
Less: current maturities of long term borrowings	90.47	152.37
Non current borrowings as per balance sheet	3,040.55	3,164.33

1) Out of the total above, ₹ 2,699.19 crore; (March 31, 2017: ₹ 2,665.80 crore) are secured with first charge by way of mortgage/hypothecation of the fixed and current assets of the company including its land, buildings, the construction thereon where exists, plant and machinery etc, loans amounting to ₹ Nil; (March 31, 2017: ₹ 195.90 crore) are secured with second charge on all assets and loans amounting to ₹ 431.82 crore; (March 31, 2017: ₹ 455 crore) are secured with subservient charge on all current and movable fixed assets.

2) Major terms of repayment of long term loans disclosed in

Maturity Profile	Balance Outstanding as at March 31, 2018		
	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Foreign Currency Loans
Loans with residual maturity of upto 1 year	-	-	-
Loans with residual maturity between 1 and 3 years	-	-	-
Loans with residual maturity between 3 and 5 years	-	-	-
Loans with residual maturity between 5 and 10 years	511.82	-	-
Loans with residual maturity beyond 10 years	1,872.95	746.25	-
Total	2,384.77	746.25	-

Maturity Profile	Balance Outstanding as at March 31, 2017		
	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Foreign Currency Loans
Loans with residual maturity of upto 1 year	-	-	-
Loans with residual maturity between 1 and 3 years	-	-	195.90
Loans with residual maturity between 3 and 5 years	-	-	-
Loans with residual maturity between 5 and 10 years	200.00	-	448.80
Loans with residual maturity beyond 10 years	1,722.00	750.00	-
Total	1,922.00	750.00	644.70

15. Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
Gratuity	1.04	0.97
Leave encashment	1.31	1.37
Total	2.35	2.34



Notes forming part of Financial Statements

(₹ in crore)

Current liabilities

Financial liabilities

16. Current Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
Secured Loans repayable on demand (a) overdraft from banks	200.67	92.83
Short term loan from banks	125.00	-
Current borrowings	325.67	92.83

Out of the total above, ₹ 111.02 crore; (March 31, 2017: ₹ Nil) are secured with first charge by way of mortgage/hypothecation of the fixed and current assets of the company including its land, buildings, the construction thereon where exists, plant and machinery etc, and loans amounting to ₹ 89.65 crore; (March 31, 2017: ₹ 92.83 crore) are secured by hypothecation of entire current assets and loan amounting to ₹ 125 crore; (March 31, 2017: ₹ Nil) are secured by second pari pasu charge by hypothecation over entire current assets

17. Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables	44.47	18.86
Total	44.47	18.86

18. Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of long-term borrowings	90.47	152.37
Interest accrued but not due	-	9.82
Liabilities on capital account	3.34	5.34
Others	0.30	1.04
Total	94.11	168.57

19. Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Other payables- Statutory dues	2.55	1.35
Total	2.55	1.35

20. Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
Gratuity	0.93	0.13
Leave encashment	0.73	0.31
Total	1.66	0.44



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Notes forming part of Financial Statements

(₹ in crore)

21. Revenue from operations

Particulars	2017-18	2016-17
Sale of products		
Earnings from Sale of electricity	856.39	442.56
Other operating revenues		
Others	2.88	2.49
Total	859.27	445.05

22. Other income

Particulars	2017-18	2016-17
Interest Income		
From Bank	7.97	0.55
Other non-operating income		
Gain on sale of current investments (net)	0.00	2.17
Unwinding of discount on financial instruments	0.09	0.10
Foreign Exchange Restatement	26.91	24.85
Liability Written Back	-	26.20
Delayed Payment Surcharge	0.31	9.13
Others	1.60	1.08
Total	36.88	64.08

23. Cost of Fuel

Particulars	2017-18	2016-17
Consumption of coal		
Quantity in Tonnes	14,59,916	10,03,729
Value	508.63	322.13
Consumption of oil		
Quantity in Kilolitres	789	184
Value	3.48	0.81
Total	512.11	322.94

Cost of fuel includes freight ₹ 191.18 Crore (March 31, 2017 : ₹ 83.96 Crore)

Cost of fuel includes Loss of ₹ Nil (March 31, 2017 : ₹ Nil) due to exchange fluctuations.

24. Employee benefit expenses

Particulars	2017-18	2016-17
Salaries and bonus	21.48	20.30
Contribution to provident and other funds	1.76	0.93
Staff Welfare Expenses	0.92	0.86
Total	24.16	22.09

25. Finance costs

Particulars	2017-18	2016-17
Interest expense	307.65	428.68
Other borrowing costs	15.84	26.94
Total	323.49	455.62

Under Ind AS, transaction costs incurred towards origination of borrowings are amortized over the tenure of the loan as part of interest expense using the effective interest rate method.



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Notes forming part of Financial Statements

(₹ in crore)

26. Depreciation and amortisation expenses

Particulars	2017-18	2016-17
Depreciation on property, plant and equipment	104.20	103.30
Total	104.20	103.30

27. Other expenses

Particulars	2017-18	2016-17
Consumption of stores and spares	9.90	8.52
Repairs		
- Plant and machinery	29.08	20.86
- Others	1.95	2.41
Rent	0.41	0.49
Power and fuel	1.88	2.11
Transmission Charges	0.08	9.32
Legal and professional charges	3.25	6.63
Insurance charges	6.43	4.96
Fees/charges to other authorities	5.26	2.95
Remuneration to auditors		
- Statutory audit	0.04	0.03
- Tax audit	0.01	0.01
- Other charges	0.01	0.00
Miscellaneous expenses	9.85	14.54
MTM loss on Derivative	62.61	16.25
Loss on disposal of fixed assets (net)	0.01	-
Total	130.77	89.08

28. Earnings per share (EPS)

Particulars	2017-18	2016-17
Face value of equity shares	10	10
Profit After Tax (₹ in Crore)	(198.58)	(483.90)
Weighted average number of equity shares outstanding	16914,29,228	12009,74,433
Basic and Diluted Earnings per share (₹)	(1.17)	(4.03)

Particulars	2017-18	2016-17
Face value of equity shares	10	10
Total Comprehensive Income (₹ in Crore)	(198.90)	(484.25)
Weighted average number of equity shares outstanding	16914,29,228	12009,74,433
Basic and Diluted Earnings per share (₹)	(1.18)	(4.03)



Notes forming part of Financial Statements

29. Employee Benefits

(₹ in crore)

a) Defined Benefit Plan

The Company also provides for gratuity and leave encashment benefit to the employees. Annual actuarial valuations at the end of each year are carried out by independent actuary in compliance with Ind As 19 on "Employee Benefits".

b) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

Actuarial study analysis	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Principal actuarial assumptions				
Discount rate	7.55%	7.26%	7.55%	7.26%
Range of compensation increase	5.00%	5.00%	5.00%	5.00%
Attrition rate (per thousand)				
Age upto 40 years	4.20	4.20	4.20	4.20
Age 40 years and above	-	-	-	-
Early retirement and disability rate (per thousand)				
40-54 years	1.80	1.80	1.80	1.80
55-57 years	2.20	2.20	2.20	2.20
Components of statement of income statement charge				
Current service cost	0.24	0.22	0.25	0.37
Interest cost	0.08	0.06	0.12	0.08
Past service cost	0.41	-	-	-
Total charged to consolidated statement of profit or loss	0.73	0.28	0.37	0.45
Movements in net liability/(asset)				
Net liability at the beginning of the year	1.10	0.70	1.68	1.02
Employer contributions	(0.05)	-	(0.14)	(0.02)
Total expense recognised in the consolidated statement of profit or loss	0.73	0.28	0.37	0.45
Total amount recognised in OCI	0.19	0.12	0.14	0.23
Net liability at the end of the year	1.97	1.10	2.05	1.68
Reconciliation of benefit obligations				
Obligation at start of the year	1.10	0.70	1.68	1.02
Current service cost	0.24	0.22	0.25	0.37
Interest cost	0.08	0.06	0.12	0.08
Past service cost	0.41	-	-	-
Benefits paid directly by the Company	(0.05)	-	(0.14)	(0.02)
Actuarial loss	0.19	0.12	0.14	0.23
Defined benefits obligations at the end of the year	1.97	1.10	2.05	1.68
Re-measurements of defined benefit plans				
Actuarial (gain)/loss due to changes in financial assumptions	(0.05)	0.08	(0.07)	0.11
Actuarial (gain)/loss on account of experience adjustments	0.24	0.04	0.20	0.12
Total actuarial (gain)/loss recognised in OCI	0.19	0.12	0.13	0.23
Change in fair value of plan assets				
Contributions made	0.05	-	0.14	0.02
Benefits paid	(0.05)	-	(0.14)	(0.02)
Fair value of plan assets at the end of the year	-	-	-	-

c) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

Particulars	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount rate				
+ 1% discount rate	1.81	0.97	1.84	1.51
- 1% discount rate	2.17	1.26	2.27	1.89
Salary Increase				
+ 1% salary growth	2.17	1.25	2.27	1.89
- 1% salary growth	1.81	0.97	1.84	1.50
Withdrawal rate				
+ 50% withdrawal rate	1.98	1.11	2.04	1.69
- 50% withdrawal rate	1.97	1.10	2.03	1.67
Mortality Increase				
+ 10% mortality rate	1.98	1.10	2.04	1.68
- 10% mortality rate	1.97	1.10	2.03	1.68



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Notes forming part of Financial Statements

d) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Credit Risk: If the scheme is insured and fully funded on PUC basis there is a credit risk to the extent the insurer(s)/ are unable to discharge their obligations including failure to discharge in timely manner

Pay-as-you-go Risk: For unfunded schemes financial planning could be difficult as the benefits payable will directly affect the revenue and this could be widely fluctuating from year to year. Moreover there may be an opportunity cost of better investment returns affecting adversely the cost of the scheme

Discount Rate risk: The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability

Liquidity Risk: This risk arises from the short term asset and liability cash-flow mismatch thereby causing the company being unable to pay the benefits as they fall due in the short term. Such a situation could be the result of holding large illiquid assets disregarding the results of cash-flow projections and cash outgo inflow mismatch. (Or it could be due to insufficient assets/cash.)

Future Salary Increase Risk: The Scheme cost is very sensitive to the assumed future salary escalation rates for all final salary defined benefit Schemes. If actual future salary escalations are higher than that assumed in the valuation actual Scheme cost and hence the value of the liability will be higher than that estimated.

Demographic Risk: In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the scheme cost.

e) Defined benefit liability

The weighted average duration of the defined benefit obligation for leave encashment is 13.68 years (March 31, 2017 - 14.18 years) and for gratuity is 8.15 years (March 31, 2017 - 15.56 years). The expected maturity analysis of undiscounted gratuity and leave encashment is as follows:

Particulars	Upto 1 year	Between 2 - 5 years	Between 6 - 10 years	Over 10 years	Total
March 31, 2018					
Gratuity	0.96	0.07	0.13	4.10	5.26
Leave Encashment	0.75	0.12	0.17	4.96	6.00
March 31, 2017					
Gratuity	0.13	0.20	0.06	3.25	3.64
Leave Encashment	0.32	0.38	0.10	4.17	4.97

The estimates of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Details of plan assets

The Scheme is unfunded.

Defined contribution plan

The Company maintains a Provident Fund with the Regional Provident Fund authorities where contributions are made by the Company as well as by the employees. An amount of ₹ 1.02 crore (March 31, 2017 ₹ 0.88 crore) has been charged off to Statement of Profit and Loss.



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(₹ in crore)

30. Income tax expense

The major components of Deferred Tax Assets/(Liabilities) based on the temporary difference as at March 31, 2018 are as under:

Particulars	As at March 31, 2018	As at March 31, 2017
Liabilities		
Excess of tax depreciation over book depreciation	(725.15)	(678.88)
Others	(12.18)	(7.80)
Total	(737.33)	(686.68)
Assets		
Unabsorbed tax losses/ depreciation	1,322.12	1,090.68
Items covered under section 43B	0.70	0.58
Others	7.38	1.91
Total	1,330.20	1,093.17
Deferred Tax Assets (Net)	592.87	406.49

Net deferred tax asset of ₹ 592.87 crore (March 31, 2017: ₹ 406.49 crore) as above has not been recognised.



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31. Contingent liabilities and commitments

a. Commitments of the Company on account of estimated amount of contracts remaining to be executed on capital account not provided for amounting to ₹ 0.12 crore (March 31, 2017 : ₹ 2.51 Crore).

b. An Appeal under the Electricity Act, 2003 has been filed before the Hon'ble Appellate Tribunal for Electricity (APTEL) by two Appellants against the Hon'ble Uttar Pradesh Electricity Regulatory Commission's Order dated April 20, 2016, wherein the Hon'ble UPERC has approved the Power Purchase Agreement between the Company and Noida Power Company Limited for supply of 170 MW power for a period of 25 years. Filing of pleadings are complete and the matter is likely to be listed before APTEL on 26th July, 2018 and as such financial impact, if any, cannot be ascertained at this stage.

32. Quantitative information

Particulars	Million kWh	
	2017-18	2016-17
Total number of units generated during the year	2,393	1,542
Total number of units consumed in generating stations *	192	129
Total number of units sent out	2,205	1,413
Total number of units through deviation settlement mechanism (net)	6	3
Total number of units delivered	2,199	1,410

* Units consumed include energy drawal of 3.60 Million kWh (March 31, 2017 : 1.01 Million kWh) from grid

33. Trade payables include ₹ Nil (March 31, 2017: 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.

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

35. Segment reporting:

Based on the "management approach" as defined by Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators.

The Company is engaged in generation of electricity and does not operate in any other reportable segments. There are no reportable geographical segments, since all business are carried out in India.

Two customers, each individually accounting for more than 10 percent of the Company's total revenue during the year, reported revenues of ₹ 467.37 crore (March 31, 2017 : ₹ 36.72 crore) and ₹ 305.83 crore (March 31, 2017 : ₹ 277.31 crore) respectively.



Notes forming part of Financial Statements

36. Related party transaction

a) Parent entities

Name	Relationship	Place of Incorporation	Ownership interest	
			As at March 31, 2018	As at March 31, 2017
CESC Infrastructure Limited	Parent Company	India	100%	100%
CESC Limited	Ultimate Parent Company	India	100%	100%

b) Key managerial personnel compensation

Particulars	(₹ in crore)	
	2017-18	2016-17
Salary of Mr Rabi Chowdhury		
Short term employee benefits	0.57	0.57
Post employment benefits	0.04	0.04
Total	0.61	0.61

c) Transactions with related parties

Nature of Transactions	Ultimate Parent Company		Parent Company		Fellow Subsidiaries	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Advance received against share subscription						
-CESC Infrastructure Limited	-	-	-	907.00	-	-
Issue of fully paid up equity shares						
-CESC Infrastructure Limited	-	-	807.00	100.00	-	-
Refund of Advance against Equity						
-Sheesham Commercial Private Limited	-	-	-	-	-	0.47
Income from sale/services						
-CESC Limited	-	5.73	-	-	-	-
-RPG Power Trading Company Limited	-	-	-	-	4.43	53.10
-Noida Power Company Limited	-	-	-	-	467.37	37.47
Sale Proceeds received						
-CESC Limited	-	5.73	-	-	-	-
-RPG Power Trading Company Limited	-	-	-	-	4.33	52.23
-Noida Power Company Limited	-	-	-	-	430.93	24.76
Expenses recoverable						
-Haldia Energy Limited	-	-	-	-	0.16	-
-Noida Power Company Limited	-	-	-	-	4.10	-
-Bharatpur Electricity Services Limited	-	-	-	-	0.02	-
Expenses payable						
-CESC Limited	14.28	0.21	-	-	-	-
-CESC Infrastructure Limited	-	-	-	0.37	-	-
-Haldia Energy Limited	-	-	-	-	0.00	0.12
-Quest Properties India Limited	-	-	-	-	-	0.10
-RPG Power Trading Company Limited	-	-	-	-	0.06	0.89
Reimbursements made during the year						
-CESC Limited	0.19	5.60	-	-	-	-
-CESC Infrastructure Limited	-	-	0.31	4.33	-	-
-Haldia Energy Limited	-	-	-	-	0.12	0.02
-Quest Properties India Limited	-	-	-	-	0.10	0.10
-RPG Power Trading Company Limited	-	-	-	-	-	0.02
Reimbursements received during the year						
-Haldia Energy Limited	-	-	-	-	-	8.00
Closing balance						
Debit	-	-	-	-	53.47	12.49
Credit	14.28	0.19	160.00	967.31	-	-



Notes forming part of Financial Statements

(₹ in crore)

37. Financial instruments

a) The carrying value and fair value of financial instruments by categories as at March 31, 2018 and March 31, 2017 follows:

	As at March 31, 2018			As at March 31, 2017		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial assets						
Security deposits	-	-	5.29	-	-	5.27
Loans to employees	-	-	0.67	-	-	0.87
Trade receivables	227.32	-	-	125.58	-	-
Cash and cash equivalents	14.05	-	-	174.58	-	-
Bank balances other than cash and cash equivalents	7.58	-	-	0.07	-	-
Derivative Asset	-	-	-	62.61	-	-
Other financial assets	0.91	-	-	5.63	-	-
Total	249.86	-	5.96	368.47	-	6.14
Financial liabilities						
Borrowings	3,456.69	-	-	3,409.53	-	-
Trade payables	44.47	-	-	18.86	-	-
Other financial liabilities	3.64	-	-	16.20	-	-
Total	3,504.80	-	-	3,444.59	-	-

The fair value of the above are close to its amortised cost due to its short term nature.

b) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Financial assets and liabilities measured at fair value As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	-	5.29	5.29
Loans to employees	-	-	0.67	0.67
Derivative Asset	-	-	-	-
Total financial assets	-	-	5.96	5.96

Financial assets and liabilities measured at fair value As at March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	-	5.27	5.27
Loans to employees	-	-	0.87	0.87
Derivative Asset	-	62.61	-	62.61
Total financial assets	-	62.61	6.14	68.75

c) Valuation techniques

The main level 3 inputs for unlisted equity securities are evaluated as follows:

- 1) Discount rates are determined using capital asset pricing model to calculate pre-tax rate that reflects current market assessments of time value of money and the risk specific to the asset.
- 2) Earnings growth factor for unlisted equity securities are based on market rates for similar types of securities .
- 3) Risk adjustments specific to the counterparties are derived from credit risk grading determined by the Company's internal credit risk management group.

The following methods and assumptions were used to estimate the fair values

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

Changes in level 2 & 3 fair values are analysed at each reporting period.



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38. Financial risk management objective and policies

The Company's operations of generation of electricity are governed by the provisions of the Electricity Act, 2003, as applicable. The operations of its customer(s) are also guided by the Electricity Act, 2003 and the regulations framed thereunder.

The Company has been managing its operations keeping in view the liquidity and considering periodical review of the financial condition of its customers, current economic trends and analysis of accounts receivables. Availability of capital and liquidity is also managed in consonance with the overall financing requirement arising from operations.

39. Capital management

While managing the capital, the Company ensures to take adequate precaution for protecting the interest of the shareholders and benefit for other stakeholders, including protecting and strengthening the balance sheet.

The Company has not declared or paid any dividends during the year. (March 31, 2017 : ₹ Nil)

40. The installed capacity of the Generating Stations of the Company as on March 31, 2018 was 600000 kW (March 31, 2017 : 600000 kW).

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



CA P.J. Bhide
Partner
Membership No.: 004714
Place: Kolkata
Date: May 22, 2018



For and on behalf of the Board of Directors



Director



Company Secretary



Managing Director



Chief Financial Officer