

**DHARIWAL INFRASTRUCTURE LIMITED**

**ANNUAL REPORT AND ACCOUNTS  
2011-12**

## DHARIWAL INFRASTRUCTURE LIMITED

### DIRECTORS' REPORT

The Directors have pleasure in presenting the Sixth Annual Report together with the Audited Accounts for the year ended 31 March 2012.

#### PROJECT STATUS

- The Company is engaged in setting up a 2 X 300 MW coal fired thermal power plant at Chandrapur, near Nagpur in Maharashtra and is yet to commence commercial production.
- Coal linkages for the entire project have been established with South Eastern Coalfields Limited (SECL).
- All statutory clearances are obtained.
- Civil & structural works for BOP is 90% complete. Mechanical equipment's erection under progress.
- Civil and structural works for BTG is 80% complete. Mechanical equipment's erection under progress.
- Raw water pipeline for 17 Kms is complete along with construction of intake well. Final commissioning works under progress.
- Track laying and OHE for railway line is 70% complete.
- 400 KV transmission line for connection with MSETCL – Stringing work under progress.

#### FINANCIAL RESULTS

	Rs	Rs
	2011-12	2010-11
(Loss) / Profit before Taxation	(56,580,599)	(22,764,163)
Provision for Income Tax for the Current year	100,300,000	162,82,000
(Loss) / Profit after Tax	(156,880,599)	(39,046,163)
Balance Profit brought forward from previous year	(53,779,093)	(14,732,930)
Balance carried down to Balance Sheet	(210,659,692)	(53,779,093)

#### DIVIDEND

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

#### DEVELOPMENTS

During the year:

- The Company became a wholly owned subsidiary of CESC Infrastructure Limited pursuant to the transfer of its entire shares by Haldia Energy Limited.
- The Company has issued 79753499 new Equity Shares of Rs.10/- each to CESC Infrastructure Limited, its holding company.

## **DIRECTORS**

Mr. Subrata Talukdar and Mr. Vinod Kumar, Directors, retire by rotation and, being eligible, offer themselves for reappointment.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Subsection (2AA) of Section 217 of the Companies Act, 1956 (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, 2012 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 thereunder.

## **AUDIT COMMITTEE**

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

## **AUDITORS**

Messrs Batliboj, Purohit & Darbari, Chartered Accountants, the Auditors of the Company, retire at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

**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 earning during the year. The foreign exchange outgo during the year amounted to Rs.746.25 Cr (Previous year-100.01) 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 provisions of Section 217(2A) of the Companies Act, 1956 are not attracted during the year.

On behalf of the Board of Directors

Sd/- R.Jha

Sd/- S.Talukdar

DIRECTOR

DIRECTOR

Kolkata,12 June,2012

Auditor's Report

To the Members of

DHARIWAL INFRASTRUCTURE LIMITED

1. We have audited the attached Balance Sheet and cash flow statement of **Dhariwal Infrastructure Limited** as at 31<sup>st</sup> March, 2012 and the related Profit & Loss Account as on that date, all of which have been signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such verification of the books of records as considered appropriate and available and according to the information and explanations given to us, we report that:
  - i)
    - (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
    - (b) The fixed assets of the Company have been physically verified by the management, which in our opinion is reasonable having regard to size of the Company and nature of the assets.
    - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed of by the Company during the year.
  - ii) The Company does not have any inventory, accordingly, sub-clause (a), (b) and (c) of clause (ii) are not applicable.
  - iii)
    - (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained u/s 301 of the Act. As such information in terms of clause (b), (c) and (d) are not required for disclosure.



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



- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
- xiv) In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments, hence disclosure not required.
- xv) In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
- xvi) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for the which they were obtained.
- xvii) On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, we report that the company has not used funds raised on short term basis for long term purposes.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The company has not issued any debenture during the year and accordingly the question of creation of security or charge does not arise.
- xx) The company has not raised any money by public issues during the year, hence disclosure not required.
- xxi) During the course of our examinations of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that;

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books.
- (c) The Balance Sheet dealt with by this report is in agreement with the books of account.



- (d) In our opinion, the Balance Sheet dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - ii) In the case of the Profit and Loss Account, of the Loss for the year ended on 31<sup>st</sup> March, 2012; and;
  - iii) In the case of the cash flow statement, of the cash flows for the period ended on 31<sup>st</sup> March, 2012.

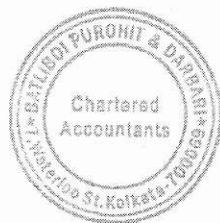
For Batliboi, Purohit & Darbari  
Chartered Accountants  
Firm Registration Number: 303086E



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

Kolkata

Dated: 12.6.2012





Dhariwal Infrastructure Limited

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

Balance Sheet as at 31st March, 2012

Particulars	Note No	As at 31st March, 2012	As at 31st March, 2011
		Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share Capital	2.1	4,597,689,540	3,800,154,550
Reserves and Surplus	2.2	(210,659,692)	(53,779,093)
Share Application Money Pending Allotment	2.3		47,534,990
Non-Current Liabilities			
Long-term borrowings	2.4	11,303,472,431	3,700,000,000
Other Long-term liabilities		1,311,155,215	43,413,680
Long term provisions	2.5	3,275,747	1,946,017
Current Liabilities			
Short-term borrowings	2.6	2,111,897,937	-
Other current liabilities	2.7	514,906,886	130,431,832
Short-term provisions	2.8	87,839,500	8,415,527
<b>Total</b>		<b>19,719,577,564</b>	<b>7,678,117,503</b>
<b>II. ASSETS</b>			
Non-current assets			
Fixed assets			
Tangible assets	2.9	458,476,906	420,533,005
Capital work-in-progress	2.10	16,023,912,397	1,353,015,345
Long term loans and advances	2.11	1,329,040,530	2,435,665,413
Current assets			
Current investments	2.12	-	1,500,000,000
Cash and bank balances	2.13	1,890,351,628	1,953,784,719
Short-term loans and advances	2.14	971,139	100,000
Other current assets	2.15	16,824,964	15,019,021
<b>Total</b>		<b>19,719,577,564</b>	<b>7,678,117,503</b>

Significant Accounting Policies

1

Notes 1 - 2.29 form an integral part of the Accounts

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

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

CA P.J. Bhide  
Partner  
Membership Number 004714

Place: Kolkata

Date: 12.6.2012

*Bhide*



For and on behalf of the Board

Director

Director

Secretary

Manager

*Kalyan Kumar Ghose*  
*Amal Ghose*

**Dhariwal Infrastructure Limited**

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

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

Particulars	Note No	2011 - 12	2010 - 11
Other Income	2.17	-	30,536,355
<b>Total Revenue</b>		<b>-</b>	<b>30,536,355</b>
<b>Expenses</b>			
Employee benefit expenses	2.18	15,795,406	4,944,818
Finance costs	2.19	-	3,927,776
Depreciation and amortisation expense	2.20	19,420,163	44,427,924
Other expenses	2.21	21,365,030	-
<b>Total Expenses</b>		<b>56,580,599</b>	<b>53,300,518</b>
Profit/(Loss) before tax		(56,580,599)	(22,764,163)
Tax expenses:			
Current		100,300,000	16,282,000
Deferred (net)		-	-
Profit/(Loss) for the Year		(156,880,599)	(39,046,163)
Earnings per equity share: (Face Value of Rs. 10 per share)			
Basic & Diluted	2.24	(0.41)	(0.37)
Significant Accounting Policies	1		
Notes 1 - 2.29 form an integral part of the Accounts			

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

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

CA P.J. Bhide  
Partner  
Membership Number 004714

Place: Kolkata  
Date: 12-6-2012

*Bank*

For and on behalf of the Board

Director

Director

Secretary

Manager



Dhariwal Infrastructure Limited

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

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

Particulars	2011-12		2010-11	
	Rs.	Rs.	Rs.	Rs.
<b>Cash Flow from Operating Activities</b>				
Net Profit/(Loss) before taxation	(56,580,599)		(22,764,163)	
<b>Adjustment for :</b>				
Depreciation	19,420,163		3,927,776	
Interest Income	-		(21,027,340)	
Gain From Sale Of Investment	-		(9,509,015)	
Miscellaneous Expenditure written off	-		-	
Preliminary expenditure written off	-		-	
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>(37,160,436)</b>		<b>(49,372,743)</b>	
(Increase)/decrease in Loans and Advances	1,117,701,440		(35,131,132)	
Increase/(decrease) in Current Liabilities and Provisions	1,117,763,406		137,899,794	
<b>Net Cash from Operating Activities</b>		<b>2,198,304,410</b>		<b>53,395,919</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	(60,944,147)		(96,192,171)	
Transfer of Fixed Assets (net of accumulated depreciation)	-		-	
Increase in Capital Work in Progress (net of ammortisation)	(14,373,729,685)		(3,224,335,597)	
Investments made	-		(1,500,000,000)	
Investments Sold (net)	1,500,000,000		-	
Income from Investment	169,333,377		9,509,015	
Interest Received(net of TDS)	105,723,314		21,027,340	
<b>Net Cash from Investing Activities</b>		<b>(12,659,617,141)</b>		<b>(4,789,991,413)</b>
<b>Cash Flow from Financing Activities</b>				
Issue of Share Capital	750,000,000		2,750,000,000	
Advance against Equity Shares received	-		20,000,000	
Refund of Share Application Money	-		-	
Increase/(decrease) in Secured Loan	9,647,879,640		3,700,000,000	
Increase/(decrease) in Unsecured Loan	-		-	
<b>Net Cash from Financing Activities</b>		<b>10,397,879,640</b>		<b>6,470,000,000</b>
<b>Net Increase/(decrease) of Cash &amp; Cash Equivalents</b>		<b>(63,433,091)</b>		<b>1,733,404,506</b>
Cash & Cash Equivalents - Opening Balance		1,953,784,719		220,380,213
Cash & Cash Equivalents - Closing Balance		1,890,351,628		1,953,784,719

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 - 303086E  
Chartered Accountants

CA P.J. Bhide  
Partner  
Membership Number 004714

Place: Kolkata

Date: 12.6.2012

*Bant*

For and on behalf of the Board

Director

Director

Secretary

Manager



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. A summary of important accounting policies which have been applied consistently are set out below. During the year ended 31st March, 2012 the Revised Schedule VI notified under the Companies Act, 1956 has been applicable for preparation and presentation of its financial statements and the above financial statements have been prepared in accordance with the relevant presentation requirement of the aforesaid Revised Schedule VI notified under Companies Act, 1956, with necessary re-classification for previous year's figures.

1.2 Basis of Accounting

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

1.3 Expenditure During Construction

The Company is setting up a 2\*300 MW Thermal Power Plant in Chandrapur near Nagpur in the state of Maharashtra. The Company is yet to commence commercial production.

Indirect Expenses related to the project and incidental thereto are disclosed as "Miscellaneous Project Expenses" under Capital Work – in – Progress in Note No – 2.10 and are to be capitalized subsequently.

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

1.4

a) Tangible Assets

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

b) Depreciation/Amortisation:

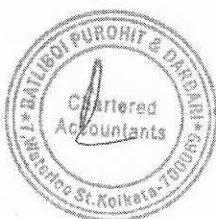
Depreciation on tangible assets is provided on written-down value method at the rates specified in Schedule XIV to the Act. Leasehold Land is amortized on a straight-line basis over the unexpired period of the lease.

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.

1.5 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. Interest income is recognized on time proportion basis.





Dhariwal Infrastructure Limited

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

Note - 2.1

SHARE CAPITAL

Particulars	As at	As at
	31st March, 2012 Rs.	31st March, 2011 Rs.
<b>Authorised Share Capital</b>		
725,000,000 Equity Shares of Rs. 10 each	7,250,000,000	7,250,000,000
<b>Issued, Subscribed and Paid - up Capital</b>		
459,768,954 (Previous Year : 380,015,455) Equity Shares of Rs. 10 each, fully paid	4,597,689,540	3,800,154,550

(a) Terms/rights attached to equity shares

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

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

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Shares outstanding at the beginning of the year	380,015,455	3,800,154,550	105,015,455	1,050,154,550
Add: Equity Shares issued during the year	79,753,499	797,534,990	275,000,000	2,750,000,000
Shares outstanding at the end of the year	459,768,954	4,597,689,540	380,015,455	3,800,154,550

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

Name of shareholders	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	%	No. of shares	%
CESC Infrastructure Limited Haldia Energy Limited	459,768,954	100	380,015,455	100

Until last year, all the equity shares of the Company were held by Haldia Energy Limited. During the year, CESC Infrastructure Limited acquired all the equity shares of the company held by Haldia Energy Limited and became the holding company of Dhariwal Infrastructure Limited (w.e.f 21st December, 2011)

Note - 2.2

RESERVES & SURPLUS

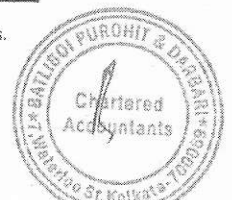
Particulars	As at	As at
	31st March, 2012 Rs.	31st March, 2011 Rs.
<b>Surplus/Deficit</b>		
Debit Balance in the Profit and Loss Statement at the beginning of the year	(53,779,093)	(14,732,930)
Add: Net Profit/(Loss) for the year	(156,880,599)	(39,046,163)
Debit Balance in the Profit and Loss Statement at the end of the year	(210,659,692)	(53,779,093)

Note - 2.3

SHARE APPLICATION MONEY PENDING ALLOTMENT

Particulars	As at	As at
	31st March, 2012 Rs.	31st March, 2011 Rs.
Application money received for allotment of securities	-	47,534,990
	-	47,534,990

During the year, the Company has allotted 4,753,499 Equity Shares at face value of Rs. 10/- each out of Share Application Money received in earlier years.



Dhariwal Infrastructure Limited

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

Note - 2.4

LONG TERM BORROWINGS

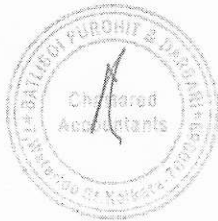
Particulars	As at 31st March, 2012			As at 31st March, 2011		
	Secured (Rs.)	Unsecured (Rs.)	Total (Rs.)	Secured (Rs.)	Unsecured (Rs.)	Total (Rs.)
<b>Term Loan</b>						
(1) Rupee Loans						
- Banks	8,400,000,000	-	8,400,000,000	3,700,000,000	-	3,700,000,000
(2) Foreign Currency Loans	2,903,472,431	-	2,903,472,431	-	-	-
	11,303,472,431	-	11,303,472,431	3,700,000,000	-	3,700,000,000

The above Term Loans and facilities in (1) and (2) 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.

The security for the above term loans in (1) and (2) ranks pari passu inter se.

Major terms of repayment of long term loans disclosed in (1) and (2) above are given below.

Maturity Profile	Balance Outstanding as on 31.03.2012		Amount (Rs.)
	Rupee Term Loan from Banks	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	-	-	
Loans with residual maturity beyond 10 years	8,400,000,000	2,903,472,431	
<b>Total</b>	<b>8,400,000,000</b>	<b>2,903,472,431</b>	
	Interest on Rupee Term Loan from banks are based on spread over Lenders' benchmark rate and that of foreign currency loans are based on spread over LIBOR.		



**Dhariwal Infrastructure Limited**

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

**Note - 2.5**

**LONG -TERM PROVISIONS**

Particulars	As at	As at
	31st March, 2012	31st March, 2011
	Rs.	Rs.
Provision for Employee benefits	3,275,747	1,946,017
	<b>3,275,747</b>	<b>1,946,017</b>

**Note - 2.6**

**SHORT TERM BORROWINGS**

Particulars	As at 31st March, 2012			As at 31st March, 2011		
	Secured (Rs.)	Unsecured (Rs.)	Total (Rs.)	Secured (Rs.)	Unsecured (Rs.)	Total (Rs.)
Foreign Currency Loans - Buyers Credit	2,111,897,937	-	2,111,897,937	-	-	-
	<b>2,111,897,937</b>	<b>-</b>	<b>2,111,897,937</b>	<b>-</b>	<b>-</b>	<b>-</b>

- (1) The above facility is 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 term loans rank pari passu inter se.

**Note - 2.7**

**OTHER CURRENT LIABILITIES**

Particulars	As at	As at
	31st March, 2012	31st March, 2011
	Rs.	Rs.
Interest Accrued but not due	43,355,353	-
Other Borrowing Costs Accrued	1,287,215	-
Liability on Capital Account	459,001,847	125,809,589
Other Liabilities	11,262,471	4,622,243
	<b>514,906,886</b>	<b>130,431,832</b>

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

**Note - 2.8**

**SHORT TERM PROVISIONS**

Particulars	As at	As at
	31st March, 2012	31st March, 2011
	Rs.	Rs.
Provision for taxation (Net of advance tax Rs. 32,173,887/-, Previous Year Rs. 11,297,850/-)	87,839,500	8,415,527
	<b>87,839,500</b>	<b>8,415,527</b>





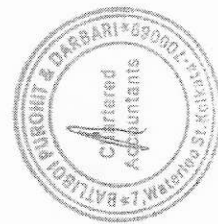
**Dhariwal Infrastructure Limited**

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NOTE:2.9

**TANGIBLE ASSETS:**

PARTICULARS	GROSS BLOCK AT COST OR VALUATION		DEPRECIATION/AMORTIZATION		NET BLOCK	
	As at 1st April, 2011 Rs.	As at 31st March, 2012 Rs.	As at 1st April, 2011 Rs.	As at 31st March, 2012 Rs.	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Land -Leasehold	340,107,909	340,107,909	5,448,282	9,028,365	331,079,544	334,659,627
Land -Freehold	65,960,300	99,236,717	-	-	99,236,717	65,960,300
Temporary Site Office	-	12,677,990	-	12,677,990	-	-
Furniture & Fixture	7,652,640	9,452,289	1,088,220	3,420,828	13,684,101	6,564,420
Vehicles	1,773,637	1,773,637	266,476	656,680	1,116,957	1,507,161
Other Equipment	6,848,291	3,537,793	362,394	1,682,113	8,703,971	6,485,897
Computers	7,749,647	1,999,658	2,394,046	5,093,688	4,655,616	5,355,601
	<b>430,092,424</b>	<b>60,944,147</b>	<b>9,559,419</b>	<b>23,000,246</b>	<b>488,476,906</b>	<b>420,533,005</b>
Previous Year	333,900,253	96,192,171	2,186,025	9,559,419	420,533,005	420,533,005



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Note - 2.10

CAPITAL WORK-IN-PROGRESS

	As at 31st March, 2011 Rs.	Additions / Adjustments Rs.	As at 31st March, 2012 Rs.
<b>CAPITAL WORK - IN - PROGRESS PENDING ALLOCATION AS UNDER</b>			
Land Development and other Site enabling activities	167,850,430	25,584,929	193,435,359
Plant & Equipment	306,095,126	12,700,231,131	13,006,326,257
Buildings and Structures	49,215,527	19,623,620	68,839,147
Railway Siding	2,435,800	210,428,816	212,864,616
Intake Water System	2,455,638	359,400,466	361,856,104
Power Evacuation	12,281,898	217,799,051	230,080,949
Bed Ash Disposal System	3,936,617	21,589,854	25,526,471
Finance Charges (Net)	567,039,676	844,456,416	1,411,496,092
Consultancy Services	77,724,607	84,776,845	162,501,452
Miscellaneous Project Expenses	158,531,744	183,425,841	341,957,585
Depreciation/ Amortisation	5,448,282	3,580,083	9,028,365
	<b>1,353,015,345</b>	<b>14,670,897,052</b>	<b>16,023,912,397</b>
Previous Year	<b>422,100,060</b>	<b>930,915,285</b>	<b>1,353,015,345</b>



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Note - 2.11

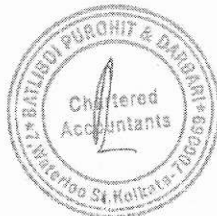
LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
(Unsecured, Considered good)		
Capital Advances	1,282,953,714	2,390,884,680
Security Deposits	44,366,750	44,308,750
Other Advances	1,720,066	471,983
	1,329,040,530	2,435,665,413

Note - 2.12

CURRENT INVESTMENTS

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Other Than Trade		
Unquoted- Investments in Mutual Funds (At lower of Cost & fair market value)		
42,008,334.454 Units Of Rs. 11.9024 each of IDFC Cash Fund - Super Inst Plan C Growth	-	500,000,000
311,185.9589 Units of Rs. 1606.7563 each of UTI Liquid Cash Plan - Inst - Growth Option	-	500,000,000
3,454,751.735 Units of Rs. 144.7282 each of ICICI Prudential Liquid Super Inst Plan- Growth	-	500,000,000
	-	1,500,000,000



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Note - 2.13

CASH AND BANK BALANCES

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
(a) Cash and cash equivalents		
- Balances with Banks	880,201,359	1,203,399,333
- Bank Deposits with original maturity upto 3 months	760,000,000	-
- Cash on hand	150,269	385,386
(b) Other Bank Balances		
- Bank Deposits with original maturity more than 3 months	250,000,000	750,000,000
	<u>1,890,351,628</u>	<u>1,953,784,719</u>

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

Note - 2.14

SHORT TERM LOANS & ADVANCES

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
(Unsecured, Considered good) Other Advances	971,139	100,000
	<u>971,139</u>	<u>100,000</u>

Note - 2.15

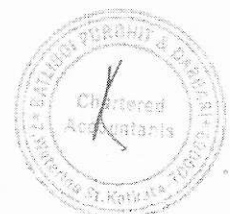
OTHER CURRENT ASSETS

Particulars	As at 31st March, 2012 Rs.	As at 31st March, 2011 Rs.
Interest Accrued on Deposits	16,824,964	15,019,021
	<u>16,824,964</u>	<u>15,019,021</u>

Note :2.16

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

Estimated amount of contract remaining to be executed on Capital Account: Rs.8,411,689,668/- (Previous Year - Rs. 21,261,395,995)



Dhariwal Infrastructure Limited

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Note - 2.17

OTHER INCOME

Particulars	2011-12 Rs.	2010-11 Rs.
Interest Income	119,476,954	21,027,340
Gain on sale of Current Investments (Net)	169,333,377	9,509,015
	<u>288,810,331</u>	<u>30,536,355</u>
Less: Allocated to Capital Account (Refer Note 2.10)	(288,810,331)	
		<u>30,536,355</u>

NOTE-2.18

EMPLOYEE BENEFIT EXPENSES

Particulars	2011-12 Rs.	2010-11 Rs.
Salaries ,wages and bonus	74,154,096	54,346,074
Contribution to Provident and other funds	3,334,310	1,941,639
Staff Welfare Expenses	<u>3,015,482</u>	<u>3,215,476</u>
	80,503,888	59,503,189
Less: Allocated to Capital Account (Refer Note 2.10)	(64,708,482)	(54,558,371)
	<u>15,795,406</u>	<u>4,944,818</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.



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Amount recognised in the Balance Sheet are as follows:

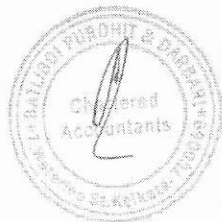
	Gratuity (Unfunded)			Leave Encashment (Unfunded)		
	31st March, 2012 Rs.	31st March, 2011 Rs.	31st March, 2010 Rs.	31st March, 2012 Rs.	31st March, 2011 Rs.	31st March, 2010 Rs.
Present value of un-funded obligation	1,127,838	353,421	275,043	2,147,909	1,592,596	949,589
<b>Net Liability</b>	<b>1,127,838</b>	<b>353,421</b>	<b>275,043</b>	<b>2,147,909</b>	<b>1,592,596</b>	<b>949,589</b>
Amount recognised in the Profit and Loss Statement and charged to Salaries, Wages and Bonus as follows:						
Current Service cost	498,250	207,701	275,043	148,798	714,645	81,698
Interest cost	28,274	22,003	-	121,885	68,403	-
Net actuarial (gain)/loss recognised during the year	247,893	(151,326)	-	424,695	49,059	867,891
<b>Total</b>	<b>774,417</b>	<b>78,378</b>	<b>275,043</b>	<b>695,378</b>	<b>832,107</b>	<b>949,589</b>
Reconciliation of opening and closing balances of the present value of the obligations:						
Opening defined benefit obligation	353,421	275,043	-	1,592,596	949,589	-
Current Service cost	498,250	207,701	275,043	146,798	714,645	81,698
Interest cost	28,274	22,003	-	121,885	68,403	-
Actuarial (gain)/loss	247,893	(151,326)	-	424,695	49,059	867,891
Benefits paid				(138,065)	(189,100)	-
<b>Closing Defined Benefit Obligation</b>	<b>1,127,838</b>	<b>353,421</b>	<b>275,043</b>	<b>2,147,909</b>	<b>1,592,596</b>	<b>949,589</b>

Principal Actuarial Assumption Used:

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

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

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



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NOTE-2.19

FINANCE COSTS

Particulars	2011-12 Rs.	2010-11 Rs.
Interest Expenses	831,408,440	157,191,399
Other Borrowing Costs	234,367,579	122,487,869
Foreign Currency Exchange Gain/Loss	67,490,728	-
	<u>1,133,266,747</u>	<u>279,679,268</u>
Less: Allocated to Capital Account (Refer Note 2.10)	(1,133,266,747)	(279,679,268)
	<u>-</u>	<u>-</u>

NOTE-2.20

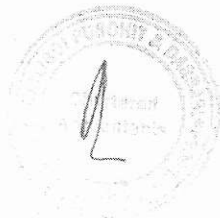
DEPRECIATION AND AMORTISATION EXPENSES

Particulars	2011-12 Rs.	2010-11 Rs.
Depreciation/amortisation on tangible assets	23,000,246	7,373,394
	<u>23,000,246</u>	<u>7,373,394</u>
Less: Allocated to Capital Account (Refer Note 2.10)	(3,580,083)	(3,445,618)
	<u>19,420,163</u>	<u>3,927,776</u>

NOTE-2.21

OTHER EXPENSES

Particulars	2011-12 Rs.	2010-11 Rs.
Rent	2,301,500	2,515,526
Power and Fuel	38,126,365	10,445,409
Travelling and Conveyance Expenses	14,153,278	16,265,502
Communication Expenses	1,945,140	1,597,591
CSR Expenses	1,233,564	781,306
Legal and Professional Charges	1,642,382	10,980,193
Project Insurance Charges	53,902	36,993,353
Fees/Charges to Other Authorities	30,520,728	8,768,189
Remuneration to Auditors		
- Statutory Audit	89,888	77,210
- Tax Audit	33,708	16,545
Rates and Taxes	-	13,753,260
General Charges	49,981,934	14,395,833
	<u>140,082,389</u>	<u>116,589,917</u>
Less: Allocated to Capital Account (Refer Note 2.10)	(118,717,359)	(72,161,993)
	<u>21,365,030</u>	<u>44,427,924</u>



**Dhariwal Infrastructure Limited**

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<u>Note : 2.22</u>	C.I.F value of imports	2011-12	2010-11
	Capital Goods	6,901,942,442	4,34,40,293
<u>Note: 2.23</u>	Expenditure in foreign currency:	2011-12	2010-11
	Travelling	158,792	9,46,516
	Finance Costs	157,682,592	-
	Advance for Equipment Supply	366,957,895	899,724,375
	Technical Services	79,216,473	55,968,755

Note: 2.24 Earnings per Share:

Computation of earnings per share

Particulars	2011-12	2010-11
Profit /(Loss) After Tax (Rs.) (A)	(156,880,599)	(39,046,163)
Weighted Average No. of Equity Shares for Earnings per Share (B)	380,451,266	106,522,304
Basic and Diluted Earnings Per Share of Rs.10/- [(A)/(B)]	(0.41)	(0.37)

Note: 2.25

Disclosure in respect of Related Parties:

	Nature of Relationships	Name of Related Parties
i)	CESC Infrastructure Limited	Indirect Holding Company (till 20 <sup>th</sup> December, 2011) and Direct Holding Company (w.e.f. 21 <sup>st</sup> December, 2011)
ii)	CESC Limited	Ultimate Holding Company
iii)	Spencer's Retail Limited, CESC Properties Limited, Metromark Green Commodities Private Limited, Music World Retail Limited, Au Bon Pain Café India Limited, Nalanda Power Company Limited, Surya Vidyut Limited, Bantal Singapore Pte Ltd (w.ef. 30th May, 2011), CESC Projects Limited (w.ef 13th June, 2011).	Fellow Subsidiary Company
iv)	Haldia Energy Limited	Direct Holding Company (till 20 <sup>th</sup> December, 2011) and Fellow Subsidiary Company (w.e.f. 21 <sup>st</sup> December, 2011)
v)	Mr. Anirban Mukhopadhyay	Key Management personnel





**Dhariwal Infrastructure Limited**

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Details of transaction between the company and related parties for the year ended on 31.03.2011 are given under:

Type of Transaction	Direct/ Ultimate Holding Company 2010 – 11	Key Management Personnel/Relatives 2010 – 11
Advance received against equity shares	2,770,000,000	-
Equity Share Capital Issued	2,750,000,000	-
Reimbursement of Contractual Remuneration	6,712,120	-
Salary Paid – Anirban Mukhopadhyay	-	1,620,142
Outstanding Balance		
- Debit	-	169,051
- Credit	60,575,314	-

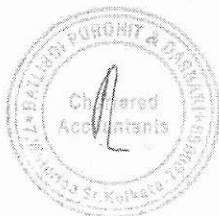
Details of transaction between the company and related parties for the year ended on 31.03.2012 are given under:

Type of Transaction	Immediate/ Ultimate Holding Company 2011 – 12	Key Management Personnel/Relatives 2011 – 12
Advance received against equity shares	750,000,000	-
Equity Share Capital Issued	797,534,990	-
Contractual Remuneration	7,775,802	-
Other Expenses	414,808	-
Reimbursements for contractual remuneration and expenses during the year.	13,040,324	
Salary Paid – Anirban Mukhopadhyay	-	1,812,000
Outstanding Balance		
- Debit	-	140,479
- Credit	8,190,610	-

**Note: 2.26**

Out of the outstanding foreign currency loans of Rs. 2,903,472,431 /- (Previous year: Rs. Nil) disclosed in Note: 2.4, loan balance amounting to Rs. 1,766,404,285/- (Previous year: Rs. Nil) have been contractually covered in Indian Rupee and Rs. 1,137,068,146/- (previous year: Rs. Nil) represents sum restated at year end exchange rate in respect of underlying contractual obligations in United States Dollar.

Foreign currency loans of Rs. 2,111,897,937/- disclosed in Note: 2.6 represents sums restated at year end exchange rate in respect of underlying contractual obligations in United States Dollar.



**Dhariwal Infrastructure Limited**

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**Note: 2.27**

The Company is presently in the process of setting up a power plant and does not operate in any other segment.

**Note: 2.28**

Since the Company has not yet commenced power generation, Deferred Tax Assets have not been recognized.

**Note: 2.29**

The Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statement for previous year's figures till the year ended 31<sup>st</sup> March 2011. During the year ended 31<sup>st</sup> March, 2012 the Revised Schedule VI notified under Companies Act, 1956 has become applicable to the Company. The Company has reclassified previous year's figures to confirm to this year's classification.

For Batliboi, Purohit & Darbari

Firm Registration Number - 303086E

Chartered Accountants



CA P.J. Bhide

Partner

Membership Number 004714

Place: Kolkata

Date: 12.6.2012



For and on behalf of the Board



Director

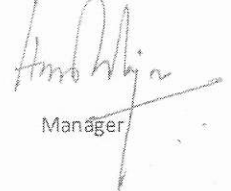


Director



Secretary

Secretary



Manager

Manager

