

# **DEHEJ SEZ LIMITED**

(A Joint Venture of GIDC & ONGC)

**14<sup>th</sup> Annual Report  
2017 - 18**

**: REGISTERED OFFICE :**

Block No.14, Third Floor, Udhog Bhavan, Sector-11,  
Gandhinagar - 382011, Gujarat, India  
Website : [www.dahejsez.com](http://www.dahejsez.com)

## Dahej SEZ Limited

### **Reason for delay in submission of Annual Report for the Year 2017-18**

The Audit Report for the year 2017-18 of Dahej SEZ Limited (DSL) submitted by Internal Auditor on 27/09/2018, Statutory Auditor submitted his report on 19/11/2018 and the same was submitted by DSL to the office of the Comptroller and Auditor General Government of India on 19/11/2018 for inspection. Comptroller and Auditor General Government completed Audit work from 29/11/2018 to 10/12/2018. Thereafter, on receipt of Final Report from C & A.G. on 18/01/2019 the said report was passed in Annual General Meeting of the Company held on 01/02/2019. The above are the reasons for delay in submitting annual report for the year 2017-18 of Dahej SEZ Limited (DSL).

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# DAHEJ SEZ LIMITED

(A Joint Venture of GIDC & ONGC)

## 14<sup>TH</sup> ANNUAL REPORT 2017-2018

### BOARD OF DIRECTORS

Mr. M. K. Das	- I.A.S	: Chairman & Director
Mrs. D. Thara	- I.A.S	: Director
Mr. Mukesh Kumar	- I.A.S	: Director
Mr. Avinash Joshi	- I.A.S	: Director
Mr. S. K. Moitra		: Director
Ms. Sunil Parekh		: Independent Director
Mr. V. S. Jain		: Independent Director
Mr. Nitin shukla		: Independent Director
Mrs. Rekha Jain		: Independent Director

### STATUTORY AUDITOR

Vinod & Narendra  
Chartered Accountants  
Ahmedabad

### REGISTERED OFFICE

3<sup>rd</sup> Floor, Block No.14,  
Udyog Bhavan, Sector : 11,  
Gandhinagar – 382 017

Website : [www.dahejsez.com](http://www.dahejsez.com)

## DIRECTORS' REPORT

To,  
 The Members,

Your Directors have pleasure in presenting their 14<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the financial year ended on March 31, 2018.

### 1. FINANCIAL SUMMARY OR HIGHLIGHTS/ PERFORMANCE OF THE COMPANY:

The Board's Report is prepared based on the stand alone financial statements of the Company.

(Amount in Million Rs.)		
Particulars	2017-18	2016-17
Revenue from Operations	535.13	535.76
Other Income	168.70	165.60
<b>Total Revenue</b>	<b>703.83</b>	<b>701.36</b>
Financial cost Expenses	35.98	34.58
Other Operative and Administrative Expenses	81.67	73.85
Depreciation and amortization	172.13	194.63
<b>Total Expenses</b>	<b>289.78</b>	<b>303.06</b>
Exceptional items	-	-
<b>Profit Before Tax</b>	<b>414.05</b>	<b>398.30</b>
Tax Expenses	65.34	87.20
<b>Profit /Loss after tax</b>	<b>348.71</b>	<b>311.10</b>
<b>Earnings/Loss per share (+/-)</b>		
(a)Basic	7.57	6.76
(b) Diluted	7.57	6.76

### 2. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR:

The Company is established for the purpose of development and operation of SEZ at Dahej in Bharuch district. The Company received approval as developer of Multi Product Special Economic Zone from Government of India, Ministry of Commerce & Industry, Department of Commerce on April 04, 2007. Accordingly, the company commenced its activity of development of SEZ from the year 2007-08.

During this year, the company has earned income from Lease, Lease Rent, Interest and Other income to the tune of Rs. 703.83 millions. The Company has earned profit before tax to the tune of Rs. 414.05 millions after providing for Depreciation/ Amortization of Lease Land of Rs. 172.13 millions, Interest on Unpaid Lease Charges payable to GIDC and other costs of Rs. 35.98 millions and Non Agricultural Area, Lease Rent, Administrative & Other Expenses of Rs. 81.67 millions. The management of the Company is hopeful that the company will be able to post better performance in the forthcoming years.



3. **CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There is no Change in the nature of business, during the year under review.

4. **DIVIDEND:**

The Board of Directors decided to plough back the earnings to strengthen the financials of the Company, hence do not recommended dividend for the year

5. **TRANSFER TO RESERVES:**

The Company has not transferred any amount to General Reserve.

6. **DEPOSITS:**

The Company has not accepted any Deposits from the public and it is therefore not required to comply with the requirement under the Companies (Accounts) Rules, 2014.

7. **SHARE CAPITAL OF THE COMPANY AND CHANGE IN SHARE CAPITAL, IF ANY:**

Authorized Share Capital of the Company is Rs. 1,00,00,00,000/- (Rupees Hundred Crore only) divided into 10,00,00,000 Equity Shares of Rs. 10/- each and Issued, Subscribed & Paid-up Share Capital of the Company is Rs 46,05,00,000/- (Rupees Forty-Six Crore and Five Lakh Only) divided into 4,60,50,000 Equity Shares of Rs. 10/- each as on 31<sup>st</sup> March, 2018.

8. **DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS:**

The Company has not issued any Equity Shares with Differential Voting Rights during the financial year and it is therefore not required to make disclosures specified in Rule 4 (4) of Companies (Share Capital and Debenture) Rules, 2014.

9. **DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES:**

The Company has not issued any Sweat Equity Shares during the financial year and it is therefore not required to make disclosures specified in Rule 8 (13) of Companies (Share Capital and Debenture) Rules, 2014.

10. **DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTION:**

The company has not issued any shares under Employee Stock Option Scheme during the financial year and it is therefore not required to make disclosures specified in Rule 12 (9) of Companies (Share Capital and Debenture) Rules, 2014.

11. **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

During the year under review, none of the Companies has become or ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies.

**12. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

From 01<sup>st</sup> April, 2017 to till date, following changes have been made:

Sr. No.	Name of Directors/ KMP Appointed	Date of Appointment	Name of Directors/ KMP Ceased	Date of Cessation
1	Virendra Singh Jain (00253196)	24/04/2017	Satyanarayana Kotipalli(06959187)	30/04/2017
2	Sunil Rajnikant Parekh (06992456)	24/04/2017	Tapas Kumar Sengupta (06802877)	01/01/2018
3	Manoj Kumar Das, IAS (06530792)	25/04/2017	Ajay Bhadoo, IAS (05333433)	12/07/2018
4	Avinash Joshi, IAS (06723083)	01/05/2017	Mohammad Shahid, IAS (07966260)	19/07/2018
5	Nitin Chandrashanker Shukla (00041433)	27/09/2017	Nidhi V. Gandhi (CS)	15/11/2018
6	Rekha Rani Jain (01586688)	27/09/2017	Sunil Rajnikant Parekh (06992456)	27/12/2018
7	Mukesh Kumar, IAS (06811311)	19/07/2018	Rekha Rani Jain (01586688)	27/12/2018
8	Sanjay Kumar Moitra, (08065998)	10/05/2018	Virendra Singh Jain (00253196)	27/12/2018
9	Mohammad Shahid, IAS (07966260)	12/07/2018		
10	Shashank Dhamseiya (CS)	16/11/2018		

**13. PARTICULARS OF EMPLOYEES:**

As the Dahej SEZ Limited is not a Listed Company therefore section 197 (12) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees are not applicable to the Company.

**14. MANAGERIAL REMUNERATION:**

The Company is not required to make disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to Managerial Remuneration being an Unlisted Company.

**15. BOARD MEETINGS:**

Notice of Meeting is prepared and circulated in advance to the Directors. During the year, Five Board Meetings were convened and held on 24/04/2017, 27/06/2017, 27/09/2017, 28/12/2017 & 27/03/2018.

**16. BOARD EVALUATION:**

Dahej SEZ Limited is a Joint Venture of ONCC Ltd. and GIDC. The appointment of Board of Directors is made indirectly by the State Government and Central Government and hence as per the Ministry (MCA) Notification dated 05/06/2015 the Company is exempted from the provisions of Clause (p) of Section 134 (3) of Companies Act, 2003.

**17. AUDITORS:**

The Auditors, M/s. Vinod & Narendra (FRN: 111497W), Chartered Accountant, Ahmedabad, were appointed as Statutory Auditors of the Company for the year F.Y. 2018-19 by the Comptroller and Auditor General of India, Letter No. CA.V/COY/GUJARAT, DAHEJS(1)/841 dated 28/08/2018.

**18. AUDITORS' REPORT:**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

**19. COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013:**

The comments of the Controller and Auditor General of India form part of this Report and is attached as ANNEXURE I along with the reply of Board.

**20. INTERNAL AUDIT & CONTROLS:**

Internal Auditors, M/s Asim Ravindra and & Associates (FRN: 118775W), Ahmedabad submitted reports. Findings are discussed with the Company and suitable corrective actions taken as per the directions on an ongoing basis to improve efficiency in operations.

**21. RISK MANAGEMENT POLICY:**

DSL shall identify the possible risks associated with its business and commits itself to put in place a Risk Management Framework to address the risk involved on an ongoing basis to ensure achievement of the business objective without any interruptions. DSL shall optimize the risks involved by managing their exposure and bringing them in line with the acceptable risk appetite of the Company.

**22. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form - MGT 9 as a part of this Annual Report as ANNEXURE II.

**23. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:**

No material changes and commitments have occurred after the close of the financial year till the date of this report, which affect the financial position of the Company other than those specifically highlighted in this report.



**24. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

No significant or material orders were passed by the regulator or court or tribunals which impact the going concern status and Company's operations in future.

**25. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9<sup>th</sup> December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year, Company has not received any complaint of harassment.

**26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company has no activities which require disclosure relating to conservation of energy or technology absorption as it is not a Manufacturing Company. There has been no foreign exchange earnings or outgo during the year under review.

**27. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement (Please refer to Note 02 to the financial statement).

**28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 during the F.Y. 2017-18 is as under:

Particulars	(Rs in Millions)		
	Associates		
	GIDC	ONGC	OPaL
Application fees for RoU-Income	0.0000	0.0000	0.0500
ROU/Rent-Income	0.0000	0.2199	3.0059
Lease Rent and Service Charges-Income	0.0000	11.3622	96.5969
NAA and Lease rent charges-Expense	11.6485	0.0000	0.0000

Interest payable-Expense	205.1669	0.0000	0.0000
Upfront Lease Income/charges apportioned-Expense	54.8498	-	-
Income		9.9669	86.5847
Scrutiny Fees for approval of plan-Income	0.0000	0.0265	0.0000
Deposit for water connection-Capital Receipt	0.3441	0.0000	0.0000
Infrastructure fund Charges-Expense	149.6250	0.0000	0.0000
Infrastructure Expense-Expense	22.5657	0.0000	0.0000
Water Charges- Expense	0.3753	0.0000	0.0000

**29. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Under Section 135 of the Companies Act, 2013 the provision of Corporate Social Responsibility is applicable to the company for the financial year 2017-18. The Board has constituted the CSR Committee. The Committee finalized a policy for the purpose of activities to be carried out for CSR and decided to explore the proper channel through which said activities can be carried out and necessary amount could be spent. During the year the Company has spent Rs. 48,66,922/- towards Corporate Social Responsibility contribution. The detail related to CSR Activities is appended as Annexure III.

**30. AUDIT COMMITTEE:**

The Company has constituted the Audit Committee as per requirement of section 177 of the Companies Act, 2013 read with rule (6) of the Companies (Meetings of Board and its Powers) Rules, 2014.

During the year under review, the board has accepted all recommendations of audit committee and accordingly no disclosure is required to be made in respect of non-acceptance of any recommendation of the audit committee by the Board.

**31. NOMINATION AND REMUNERATION COMMITTEE:**

The company has constituted Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013 read with rule (6) of the Companies (Meetings of Board and its Powers) Rules, 2014.

**32. DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- (b) 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 at the end of the financial year and of the profit and loss of the Company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the Annual Accounts on a going concern basis;

(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**33. SECRETARIAL AUDIT REPORT:**

Section 204 of the companies Act, 2013 relating to Secretarial Audit is not applicable to the Company. Therefore the Company is not required to obtain Secretarial Audit Report in Form No. MR-3 pursuant to Section 204(1) of the Companies Act, 2013 and rule (9) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**34. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years under Section 205(c) of the Companies Act, 1956. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund.

**35. ACKNOWLEDGEMENTS:**

Your Directors express their warm wish to place on record their sincere appreciation to the Co-Operation extended by the Registrar of Companies, Comptroller & Auditor General of India and Statutory Auditors. The Directors are also grateful to the Government of Gujarat, Officers and staff of the Company for their co-operation and look forward for their continued support.

For & on behalf of the Board of Directors of  
DAHEJ SEZ LIMITED

Place: Gandhinagar

Date: 01/02/2109



  
M. K. Das  
Chairman  
DIN: 06530792

### ANNEXURE INDEX

<u>Annexure</u>	<u>Content</u>
I.	Comments of C&AG of India
II.	Extract of Annual Return in Form No. MGT 9
III.	Corporate Social Responsibility
IV.	Auditors Report and Annual Accounts
V.	MGT-11 (Proxy)



Comment(s) or Supplement(s) received from Comptroller and Auditor-General of India (CAG of India) under section 143 (6) (b) of the Companies Act, 2013 on the Financial Statements of Dahej SEZ Limited for the year ended 31<sup>st</sup> March, 2018:

**A. Comments on Financial Position:**

**Balance Sheet**

**Capital Work in Progress (Note No. 1) – Rs. 7.18 Crore**

The Company awarded a Work Order to M/s. Vipul K. Patel for construction of road. In order to avail benefit of taxation under SEZ Act, the Company received invoices for material (cement) in name of the Company and booked the same as purchase of material. The Running Account Bills received from M/s. Vipul K. Patel also included material cost. At the time of finalization of accounts, the Company has again included the cost of cement of Rs. 40.03 Lakh under Capital Work in Progress through purchase of cement resulting in double booking of material cost under CWIP.

This has resulted overstatement of Capital Work in Progress and overstatement of Current Liabilities by Rs. 40.03 Lakh.


**Board of Directors' reply on Comments received from CAG of India:**

In this regard, it is to clarify that DSL has passed the entries of R.A. Bills including material cost as submitted by the Contractor (M/s. Vipul K. Patel). DSL has placed purchase order to supplier for availing the tax benefits as per the agreement executed with Contractor (M/s. Vipul K. Patel). DSL has reimbursed the amount of materials procured to M/s. Vipul K. Patel on 12/10/2017 as the same were paid by him to supplier. Therefore DSL has passed the rectification entry amounting to Rs. 40.03 Lakh on 07/12/2018.

For & on behalf of the Board of Directors of  
**DAHEJ SEZ LIMITED**

Place: Gandhinagar  
Date: 01/02/2109



  
M. K. Das  
Chairman  
DIN: 06530792

## FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the  
Company (Management & Administration) Rules, 2014

## I. REGISTRATION &amp; OTHER DETAILS:

1.	CIN	U45209GJ2004PLC044779
2.	Registration Date	21/09/2004
3.	Name of the Company	DAHEJ SEZ LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares Indian Non Government Company
5.	Address of the Registered office & contact details	3rd Floor, Block No. 14, Udhyog Bhavan, Sector-11, Gandhinagar - 382017
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of Main Products/ Services	NIC Code of the Product/ Service	% to total turnover of the company
1	Identify and Develop Tourism Projects, To Construct Tourism Service, Investigate and Prepare Project Report & To Develop Projects on Public Private Partnership (PPP) basis	68100	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

SN	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
Nil					

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	D e m at	Physical	Total	% of Total Share s	D e m at	Physical	Total	% of Total Share s	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	500	500	-	-	500	500	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	23024700	23024700	50	-	23024700	23024700	50	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other - Company	-	23024800	23024800	50	-	23024800	23024800	50	-
Sub-Total [A](1)	-	46050000	46050000	100	-	46050000	46050000	100	-
<b>(2) Foreign</b>									
a) NRI-Individual	-	-	-	-	-	-	-	-	-
b) Other-Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total [A] (2)	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A) (1)+(A) (2)</b>	-	46050000	46050000	100	-	46050000	46050000	100	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-

ii) Overseas	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1) - (B)(2)</b>	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	46050000	46050000	100	-	46050000	46050000	100

#### ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gujarat Industrial Development Corporation (GIDC)	23024700	50	-	23024700	50	-	-
2	Oil & Natural Gas Corporation Limited (ONGC)	23024800	50	-	23024800	50	-	-
3	Vijay N. Iyiah	100	-	-	100	-	-	-
4	Roopesh Kumar	100	-	-	100	-	-	-
5	D. Thara	100	-	-	100	-	-	-
6	Prem Kumar Taneja	100	-	-	-	-	-	-
7	Ashok D. Patel	100	-	-	100	-	-	-
8	M. K. Das	-	-	-	100	-	-	-
	<b>Total</b>	46050000	100	-	46050000	100	-	-



iii) Change in Promoters' Shareholding (please specify, if there is no change) -

S N	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	P. K. Taneja				
	At the beginning of the year	100	-	100	-
	Less:				
	Transfer of shares on 27/06/17	100	-	-	-
	At the end of the year	-	-	-	-
2.	M. K. Das				
	At the beginning of the year	-	-	-	-
	Add:				
	Transfer of shares on 27/06/17	100	-	100	-
	At the end of the year	-	-	100	-

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel:

S N	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	P. K. Taneja				
	At the beginning of the year	100	-	100	-
	Less:				
	Transfer of shares on 27/06/17	100	-	-	-
	At the end of the year	-	-	-	-
2.	M. K. Das				
	At the beginning of the year	-	-	-	-
	Less:				
	Transfer of shares on 27/06/17	100	-	100	-
	At the end of the year	-	-	100	-
3.	D. Thara				
	At the beginning of the year	100	-	-	-
	Increase/ Decrease	-	-	-	-
	At the end of the year	-	-	100	-

**V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/ accrued but not due for payment: Nil**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	NIL			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
* Addition				
* Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	-	-	-	-

**B. Remuneration to other Directors:**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Sunil Parekh	Nitin Shukla	Rekha Jain	V. S. Jain	
1	Independent Directors					
	Fee for attending board committee meetings	5000/-	5000/-	5000/-	-	15000/-
	Commission	-	-	-	-	-
	Others, please specify (Travelling Exps.)	1200/-	-	1056/-	-	2256/-
	Total (1)	6200/-	5000/-	6056/-	-	17256/-
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	6200/-	5000/-	6056/-	-	17256/-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

**C. Remuneration to Key Managerial Personnel Other than MD/ Manager/ WTD:**

SN	Particulars of Remuneration	Key Managerial Personnel			
		S. N. Patil - CEO	Nidhi V. Gandhi - CS	Pranav S. Patel - CFO	Total
1	Gross salary	23,54,400/-	2,47,500/-	5,06,772/-	31,08,672/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	23,54,400/-	2,47,500/-	5,06,772/-	31,08,672/-



**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For & on behalf of the Board of Directors of  
DAHEJ SEZ LIMITED

Place: Gandhinagar  
Date: 01/02/2019



  
M. K. Das  
Chairman  
DIN: 06530792

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES  
FOR THE FINANCIAL YEAR 2017-18**

1	A brief outline of the Company/ CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to CSR Policy and projects or programs.	<a href="http://dahejsez.com/csr">http://dahejsez.com/csr</a>  To focus on area surrounding Dahej and other places for promoting Health Care, Education, Rural Development, promoting Educational activity, promoting gender equality and socio-economic empowerment, promoting environment awareness and etc.
2	The Composition of the CSR Committee	1. Shri M. K. Das, IAS 2. Smt. D. Thara, IAS 3. Shri Avinash Joshi, IAS
3.	Average net profit of the Company for last three financial year	Rs. 24,33,46,100/-
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 48,66,922/-
5.	Details of CSR spent during the financial year 2017-18  (a) Total amount to be spent for the financial year 2017-18 (b) Amount unspent, if any	  Rs. 48,66,922/-  Nil

Manner in which the amount spent during the financial year is detailed below

**DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING FINANCIAL YEAR 2017-18**

(1) Sr. No.	(2) CSR Project or activity identified.	(3) Sector in which the project is covered	(4) Project or Program Local area or other Specify the State and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise (In Rs.)	(6) Amount spent on the projects or programs Sub-heads: 1. Direct on projects or programs- 2. Overhead:	(7) Cumulative Expenditure upto the reporting period i.e. FY 2017- 18	(8) Amount spent Direct or through implementing Agency.
1	Paver Block/ Furniture/ Cupboard/ Color work and Drainage Cleaning Work	Rural Developm ent Projects	Primary School of Ambhetha, Jageshwar and Navavadiya Villages, Suva Village	6,41,922	6,41,922	6,41,922	Direct

2	Chief Minister Relief Fund	Socio Economic Development and Relief and Welfare	Gujarat	27,25,000	27,25,000	33,66,922	Direct
3	Sanjivani Mobile Health Unit/ Vaan	Promoting Health Care	GVK Emergency Management, Research institute, Gujarat	15,00,000	15,00,000	48,66,922	Direct
Total				48,66,922	48,66,922		

For & on behalf of the Board of Directors of  
DAHEJ SEZ LIMITED

Place: Gandhinagar  
Date: 01/02/2019



A handwritten signature in black ink.

M. K. Das  
Chairman  
DIN: 06530792

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAHEJ SEZ LTD.

## Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind-AS financial statements of DAHEJ SEZ LTD. ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows 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 'Standalone Ind-AS financial statements').

## Management's Responsibility for the Standalone Financial Statements

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 standalone Ind-AS financial statements that 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 relevant rules issued thereunder.

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 standalone Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind-AS financial statements based on our audit.

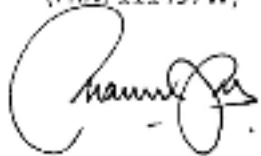
We have taken into account the provisions of the Act, the Indian accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind-AS financial statements are free from material misstatement.



- c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone Ind-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under;
- e) on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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-C.
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20 (n) to the standalone Ind-AS financial statements;
  - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Vinod & Narendra  
Chartered Accountants  
(FIRN: 111497W)



Shaleen Shah, Partner  
Membership No.105238



Ahmedabad, 19-Nov-18



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind-AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone Ind-AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind-AS financial statements.

### Opinion

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

### Emphasis of Matter

The categorisation of Property, Plant & Equipment and estimated useful life for Company's assets developed by GIDC are different from what is specified in Part C of Schedule II to The Companies Act, 2013. The Company has disclosed in Note 20(f)(vii) that for the purpose of computing Depreciation, estimated useful life of Company's assets developed by GIDC and covered under the head 'Infrastructure' is taken as per the Certificate issued by Technical Expert (Chartered Engineer).

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(5) of the Act, Directions and Sub directions are annexed as per Annexure A.
- 2) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in Annexure-B a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 3) 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;



**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

**DIRECTIONS UNDER SECTION 143(5) OF COMPANIES ACT 2013**

- Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.

Dahej SEZ Ltd. ('DSL' or 'the Company') has taken over the lease hold land of 1710 Hecets. situated at Dahej SEZ area in Vagra Taluka of Bharuch District from Gujarat Industrial Development Corporation as on 19.01.2010 for the period of 99 years.

Dahej SEZ Ltd. has sub leased the lease hold land acquired from GIDC to various units for thirty years as per policy of DSL. Out of which for 35 units admeasuring 2125332.35 sq. mtrs areas, are yet to be executed sub lease deed.

- Please report whether there are any cases of waiver/write off of debts/loan/interest etc., if yes the reasons there for and the amount involved.

As per the information & explanations given to us, there is no any case of waiver/write off of debts/ loan/ interest, etc.

- Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. Or other authorities.

The company provides services and does not engage in manufacturing and trading activities, so there is no question of maintaining records for inventories lying with third parties. As per the information & explanations given to us, the Company has not received any assets as gifts during the year.

**SUB DIRECTIONS UNDER SECTION 143(5) OF COMPANIES ACT 2013****INFRASTRUCTURE SECTOR**

- Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached, under litigation, not put to use or declared surplus? Details may be provided.

DSL has engaged security agency to prevent encroachment in SEZ area.

However, as per the information & explanations given to us, in the SEZ encroachment has been done by local people / land looser due to compensation issue with GIDC. GIDC has allotted 1710 hectares area on lease of 99 years to Dahej SEZ Ltd for the development of M.P.V. SEZ at Dahej, Dist. Bharuch as per lease deed executed. As per information and explanation given to us, the area details of Dahej SEZ are as under:

Total Plot Area	1082.65 hectares area as per the Gazette of India Dated 14.11.2011 and 27.35 hectares areas are under reconciliation with G.I.D.C.
Total Area used/reserved for Utility Corridor, Dedicated Corridor, Infrastructure facilities Like road, drainage, SWD, Water pipeline & tank, C.O.P. etc	335.51 hectares as per drawing
Total Allocable Area to Units	1347.14 hectares area
Total Allotted Area to Units	1193.87 hectares area
Total Vacant Area	153.27 hectares area



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2. Whether the system in vogue for identification of projects to be taken up under Public Private Partnership is in line with the guideline/ policies of the Government? Comment on deviation if any :

We have not been informed of any such guidelines or policies of the Government which are applicable to the Company.

3. Whether system for monitoring the execution of works vis-a-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/losses from contracts, etc., have been properly accounted for in the books.

As per the information & explanations given to us, there is a system for monitoring execution of work undertaken in the Company. Work has been executed as per agreement/ work order issued and properly accounted in books. The review meeting conducted by CEO and is attended by the concerned officers of the Company.

The company has been engaged in the business of the developing the multi product special economic zone at Dohri. In pursuance to that company has entered into lease agreements with allottees as per the policy of the DSL and all provisions thereof have been complied/accounted. In case of the surrender of the plots the amounts of penalties and deposits forfeited have been complied/accounted as per the surrender policy of the DSL.

4. Whether funds received/ receivable for specific schemes from central/ State agencies were properly accounted for/ utilized? List the cases of deviations :

As per the information & explanations given to us, no new grants have been received during the year.

5. Whether the bank guarantees have been revalidated in time?

There are no bank guarantees given by the Company, hence this clause is not applicable.

6. Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.

Confirmation of Balances for Term Deposit & bank accounts have been obtained. Cash Balance is as certified by the Management. As per the information & explanations given to us, balances of trade payable and trade receivable confirmation has been done on 26/07/2018 & 27/07/2018 respectively.

7. The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned.

As per the information & explanations given to us, there is no such abandoned project.

#### INDUSTRIAL PROMOTION

1. Describe the deviations from the system of the payment for land acquisition including compensation under Resettlement and Rehabilitation Policy of the State Government. Cases of the land disputes should be mentioned.

As per the information & explanations given to us, we have not been informed of any such deviation from the system of payment of land acquisition.

2. Is the system of the sanction, disbursement and recovery of Industrial loan effective? State the cases of the deviation from rules, regulations and policies in regard to rescheduling, waiver of loans/interest and one time settlement scheme etc.

The Company has not given any such industrial loan, hence this clause is not applicable.



3. Examine and state the system of allotment of industrial plots/sheds including recovery of installments from the allottees. What is the system of imposing penalty due to delay in setting up of the business or starting business other than one for which the allotment was made?

As per the information & explanations given to us, the Company follows a system of allotment and surrender of plots as per policy of DSL. The applicant is allotted plot on production of the Letter of Approval (LOA) from the Development Commissioner of the Dahej SEZ, Govt. of India. The allottees are not permitted to start business on the allotted plot other than one for which the allotment was made. As informed, the Company has approved a policy for imposing penalty for non-utilisation of land in Dahej SEZ in the Board Meeting dtd. 27-06-2017.

4. The system of managing the default cases shall be examined. Have all steps to remedy the situation taken within the prescribed time limit? The cases of non compliance to established system shall be detailed.

As per the information & explanations given to us, the Company has regular monitoring system for default in payment and charged interest @ 13% p.a. on defaults as per DSL policy. We have not been informed of any such instance on non compliance of such policy.

5. Examine and provide the details of liability, if any, on account of delay in handing over of any project to allottees and its consequence accounting.

We have not been informed of any such instance.

6. State the cases where loans/ funds received from Central/State Government or its agencies have been diverted from the purpose for which these were received.

We have not been informed of any such instance of diversion during the year.

For Vinod & Narendra  
Chartered Accountants  
(ERN: 111497W)



Shaleen Shah, Partner  
Membership No.105238



Ahmedabad, 19-Nov-18

**ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT**

*(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)*

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) According to the information and explanations given to us, the Company has formulated a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties pertaining to land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The Company is engaged in the business of developing, operating and maintaining the SEZ and SEZ based related infrastructure facilities including Multi Product Special Economic Zone at Dahej. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable.
- (iv) The Company has not granted any loans or provided any guarantee or security to the parties covered under Section 185 of the Act. The Company has not made any investments or granted any loans or provided any guarantee or security to the parties covered under Section 185. Thus, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public. Thus, paragraph 3(v) of the Order is not applicable.
- (vi) The Company is engaged in the business of developing, operating and maintaining the SEZ and SEZ based related infrastructure facilities including Multi Product Special Economic Zone at Dahej. Accordingly, Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the company. Thus, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations provided to us and on the basis of our examination of the records, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues, wherever applicable to it. According to the information and explanations given to us, no undisputed amounts payable were in arrears, as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues of income tax, sales tax, service tax, custom duty, excise duty or value added tax which have not been deposited on account of dispute.
- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to its bankers. The Company did not have any debenture holders during the year. Thus, paragraph 3(viii) of the Order is not applicable to the Company.



Vinod & Narendra  
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E-Mail : vinan@vnc2.com  
Website : www.vnc2.com

- (ix) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Thus, paragraph 3(ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals, where applicable, mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a niche company. Thus, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone Ind-AS financial statements as required by the applicable Indian accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Thus, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For Vinod & Narendra  
Chartered Accountants  
(FIRM: 111497W)



Shaleen Shah, Partner  
Membership No.105238



Ahmedabad, 19-Nov-18



**ANNEXURE-C TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in Paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of DAHEJ SEZ LTD. ('the Company') as of 31 March 2018 in conjunction with our audit of the standalone Ind-AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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 the 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 Companies Act, 2013.

**Auditors' Responsibility**

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, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. These 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 were established and maintained and if such controls operated effectively in all material respects.

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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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**

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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.


#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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 31 March 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 ICAI.

For Vinod & Narendra  
Chartered Accountants  
(FBN: 111497W)



Snaleen Shah, Partner  
Membership No.105238



Ahmedabad, 19-Nov-18



**Confidential**  
By Regd. Post

कार्यालय  
महालेखाकार (आ. एवं रा. क्षे. ले. प.), गुजरात  
**Office of the**  
**Accountant General (E&RSA), Gujarat**

No. ES-I/HQ II/A/cs/DSL/2017-18/010.992  
18.01.2019

सेवा मे,  
प्रबंधक निदेशक,  
Dahej SEZ Limited  
Block No. 14, 3<sup>rd</sup> Floor,  
Udhyog Bhavan, Sector-11,  
Gandhinagar-382017.

**Sub: -** Comment of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Dahej SEZ Limited for the year ended 31 March 2018

Sir,

Please find enclosed 'Comment Certificate' of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Dahej SEZ Limited for the year ended 31 March 2018 for being placed before the Annual General Meeting of the Company.

Under Section 143(6)(b) of the Companies Act, 2013, the comments of the Comptroller and Auditor General of India are required to be placed before the Annual General Meeting in the same manner and at the same time as the Auditor's Report of the Company. The date of placing the comments of the Comptroller and Auditor General of India before the Annual General Meeting may please be intimated to this office.

Six copies of the printed accounts may please be sent to this office for our use and record.

Receipt of this letter with its enclosures may please be acknowledged.

Yours faithfully,

*Attn*  
Sr. Dy. Accountant General (ES-I)

Encl: As above

Inward No. 131  
Date 21/01/2019  
DSL Gandhinagar



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF DAHEJ SEZ LIMITED FOR THE YEAR ENDED 31  
MARCH 2018**

The preparation of financial statements of the Dahej SEZ Limited, Gandhinagar for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 19 November 2018.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) of the Act of the financial statements of Dahej SEZ Limited, Gandhinagar for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

**A. Comments on Financial Position:**

**Balance Sheet**

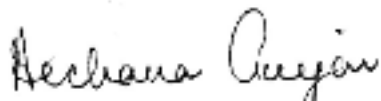
**Capital Work in progress (Note No. 1) - ₹ 7.18 crore**

The Company awarded a work order to M/s Vipul K Patel for construction of road. In order to avail benefit of taxation under SEZ act, the Company received invoices for material (cement) in name of the Company and booked the same as purchase of material. The Running Account bills received from M/s Vipul K Patel also included material cost. At the time of finalization of accounts, the Company has again included the cost of cement of ₹ 40.03 lakh under Capital Work in Progress through purchase of cement resulting in double booking of material cost

under CWIP.

This has resulted overstatement of Capital Work in Progress and overstatement of Current Liabilities by ₹ 40.03 lakh.

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



(Archana Gurjar)  
Accountant General (E&RSA), Gujarat

Place: Ahmedabad

Date 18 JAN 2019

**DAHEJ SEZ LTD.**  
**AUDITED BALANCE SHEET AS ON 31-03-2018 AS PER IND AS**

"₹" in Millions

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant & Equipments	1	6,684.04	6,855.31
(b) Capital work-in-progress		71.81	36.92
(c) Other Intangible Assets		0.03	0.03
(d) Financial Assets			
(i) Investments	2	100.00	100.00
(ii) Trade Receivables	4	7.79	6.80
(e) Other Non-current Assets	3	114.89	135.75
Sub-Total (1)		6,979.46	7,134.81
<b>2 Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	4	206.58	240.09
(ii) Cash and cash equivalents	5	2,545.71	2,159.23
(iii) Other Financial Asset	6	380.03	88.47
(b) Current Assets	6	115.39	0.87
Sub-Total (2)		3,248.59	2,488.72
<b>Total Assets (1+2)</b>		<b>10,228.06</b>	<b>9,623.53</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	7	460.50	460.50
(b) Other Equity	8	1,729.72	1,458.88
Sub-Total (1)		2,190.22	1,919.38
<b>2 Liabilities</b>			
(1) Non-Current Liabilities:			
(a) Other Long term liabilities	9	6,719.86	6,772.24
(b) Creditors for Capital Expenditure		214.30	214.30
(c) Non-Current Tax Liabilities	12	130.44	-
(2) Current Liabilities:			
(a) Financial Liabilities			
(i) Trade Payables		6.18	3.18
(ii) Other Financial Liabilities	10	449.88	384.69
(a) Other Current Liabilities	10	408.40	237.14
(c) Provisions	11	7.79	5.21
(d) Current Tax Liabilities	12	101.00	87.20
Sub-Total (2)		9,037.64	7,704.15
<b>Total Equity and Liabilities (1+2)</b>		<b>10,228.06</b>	<b>9,623.53</b>

For, Vinod & Narendra  
**CHARTERED ACCOUNTANTS**  
 ICAI Firm Reg. No.111497W

CA. Shaleen Shah

Partner

Membership No.105238

Place : Gandhinagar

Date :

9 NOV 2018

C.S.  
 Dahej SEZ Ltd.

For and on behalf of the  
 Board of Directors

Director

Dahej SEZ Ltd.

C.F.O.

Dahej SEZ Ltd.

Place: Gandhinagar

Date :

9 NOV 2018

Director

Dahej SEZ Ltd.

C.E.O.

Dahej SEZ Ltd.

**DAHEJ SEZ LTD.**

**Audited Profit and Loss for the year ended 31 March, 2018 as per IND AS**

"₹" in Millions

Particulars	Note No.	For year ended 31 March, 2018	For year ended 31 March, 2017
<b>Income</b>			
I Revenue from operations	13	535.13	535.76
II Other income	14	168.70	165.60
<b>III Total Income (I + II)</b>		<b>703.83</b>	<b>701.36</b>
<b>IV Expenses</b>			
Employee benefit expense	15	11.59	10.80
Financial costs	16	35.98	24.58
Depreciation and amortization expense	1	172.13	194.63
Other expenses	17	70.08	63.05
<b>Total expenses (IV)</b>		<b>289.78</b>	<b>303.06</b>
<b>V Profit before tax for continuing operations (III-IV)</b>		<b>414.05</b>	<b>398.30</b>
<b>VI Tax expense:</b>			
(1) Current Tax		-	-
MAT liability		90.25	87.20
Less: MAT credit entitlement		35.66	-
Net Current tax		54.59	87.20
(2) Deferred tax		10.75	-
<b>VII Profit After Tax (V-VI)</b>		<b>348.71</b>	<b>311.10</b>
<b>VIII Other Comprehensive Income</b>		-	-
<b>IX Total Comprehensive Income for the Year (VII + VIII)</b>		<b>348.71</b>	<b>311.10</b>
<b>X Earnings per equity share: (nominal value of share ₹ 10/-)</b>			
(1) Basic		7.57	6.76
(2) Diluted		7.57	6.76

For, Vinod & Narendra  
CHARTERED ACCOUNTANTS  
ICAI Firm Reg. No.111497W

CA. Shaleen Shah

Partner

Membership No.105238

Place : Gandhinagar

Date :

7 NOV 2018



*(Signature)*

C.S.

Dahej SEZ Ltd.

For and on behalf of the  
Board of Directors

*(Signature)*  
Director

Dahej SEZ Ltd.

*(Signature)*  
Director

Dahej SEZ Ltd.

*(Signature)*  
C.F.O.

Dahej SEZ Ltd.

Place: Gandhinagar

Date :

*(Signature)*  
C.E.O.

Dahej SEZ Ltd.

7 NOV 2018





# STANDALONE STATEMENT OF CHANGES IN EQUITY (SOCIE)

FOR THE PERIOD ENDED ON 31-03-2018

## A. Equity Share Capital :

(Rs. In Millions)

Particulars	Number of Shares	Amount (Rs.)
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
Equity Shares of Rs. 10 Each Fully Paid Up.		
<b>As at 31-03-2017</b>	46,050,000	460.50
Increase / (Decrease) during the Year		-
<b>As at 31-03-2018</b>	46,050,000	460.50

## B. Other Equity :

Particulars	Reserves & Surplus		Total
	Capital Reserves	Retained Earnings	
<b>Balance as at 31/03/2016</b>	39.72	1,110.49	1,149.21
Total Comprehensive Income for the Year	-	311.10	311.10
Prior Period Errors	(5.93)	5.89	(0.03)
Depreciation on CIP work done from Government of Gujarat Grant	1.40	-	1.40
<b>Balance as at 31/03/2017</b>	31.39	1,427.49	1,458.88
Total Comprehensive Income for the Year	-	348.71	348.71
Prior Period Errors	-	(76.54)	(76.54)
Depreciation on CIP work done from Government of Gujarat Grant	1.33	-	1.33
<b>Balance as at 31/03/2018</b>	30.06	1,699.66	1,729.72

As per our report of even date attached.

For, Vinod & Narendra  
CHARTERED ACCOUNTANTS

ICAI Firm Reg. No.111497W



CA. Shaleen Shah  
Partner  
Membership No.105238  
Place : Gandhinagar

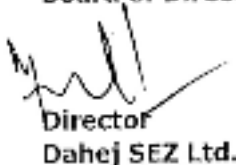
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C.S.

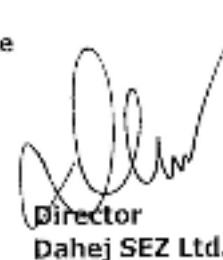
Dahej SEZ Ltd.

For and on behalf of the  
Board of Directors

  
Director  
Dahej SEZ Ltd.

  
C.F.O.

Dahej SEZ Ltd.


  
Director  
Dahej SEZ Ltd.

  
C.E.O.

Dahej SEZ Ltd.

Place: Gandhinagar

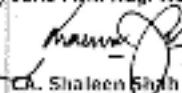
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 11th NOV 2018




Particulars	For the year ended on 31 March, 2018		For the year ended on 31 March, 2017	
<b>Cash Flow from Operating Activities</b>				
Net Profit before Tax and Extra Ordinary Items	414.05		398.31	
Adjustment for:				
Depreciation and Amortisation	172.13		194.63	
Interest on Income Tax	-		-	
Prior Period Income/Expense Adjustment	6.78		(0.08)	
CSR Expenditure	-		-	
Interest Income	(106.51)		(154.13)	
Cash flow before change in Working Capital	426.45		428.78	
Adjustment for:				
Current Assets				
Trade Receivables	39.53		(155.93)	
Other non current assets	(21.23)		(66.36)	
Other current assets	(371.32)		190.85	
Current Liabilities				
Trade Payables	3.00		0.34	
Other Long term liabilities	(52.38)		(293.37)	
Other current liabilities	236.24		25.37	
Provisions	2.38		(2.78)	
Cash flow from operating activities	255.68		126.78	
Direct Taxes paid (net of refund)	-		-	
Net Cash Flow from operating activities		255.88		126.78
<b>Cash flow from Investing Activities</b>				
Purchase of Fixed assets	(37.90)		(31.26)	
Interest (Net)	158.50	130.54	154.13	132.80
Net increase / (Decrease) in cash and cash Equivalents		386.42		259.56
Opening cash and cash equivalents	2,159.29		1,893.64	
	2,159.29		1,893.64	
<b>Closing cash and cash equivalents</b>				
(i) Cash on Hand	-		-	
(ii) Bank Balance				
- In current Accounts	3.76		(52.84)	
- In deposits with original maturity of less than 3 months	-		-	
(iii) Others	2,541.85		2,212.13	
Closing cash and cash equivalents at the end of the period		2,545.71		2,159.29

For, Vinod & Narendra  
CHARTERED ACCOUNTANTS  
ICAI Firm Reg. No.111497W

  
C.A. Shaleen Singh  
Partner

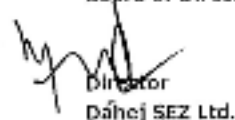
Membership No.105238  
Place : Gandhinagar  
Date :

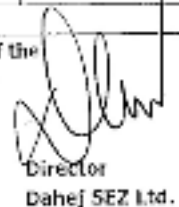


  
C.S.

Dahej SEZ Ltd.

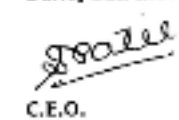
For and on behalf of the  
Board of Directors

  
Director  
Dahej SEZ Ltd.

  
Director  
Dahej SEZ Ltd.

  
C.F.O.  
Dahej SEZ Ltd.

Place: Gandhinagar  
Date:

  
C.E.O.  
Dahej SEZ Ltd.



16 NOV 2018

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Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68	2068-69	2069-70	2070-71	2071-72	2072-73	2073-74	2074-75	2075-76	2076-77	2077-78	2078-79	2079-80	2080-81	2081-82	2082-83	2083-84	2084-85	2085-86	2086-87	2087-88	2088-89	2089-90	2090-91	2091-92	2092-93	2093-94	2094-95	2095-96	2096-97	2097-98	2098-99	2099-00	2100-01	2101-02	2102-03	2103-04	2104-05	2105-06	2106-07	2107-08	2108-09	2109-10	2110-11	2111-12	2112-13	2113-14	2114-15	2115-16	2116-17	2117-18	2118-19	2119-20	2120-21	2121-22	2122-23	2123-24	2124-25	2125-26	2126-27	2127-28	2128-29	2129-30	2130-31	2131-32	2132-33	2133-34	2134-35	2135-36	2136-37	2137-38	2138-39	2139-40	2140-41	2141-42	2142-43	2143-44	2144-45	2145-46	2146-47	2147-48	2148-49	2149-50	2150-51	2151-52	2152-53	2153-54	2154-55	2155-56	2156-57	2157-58	2158-59	2159-60	2160-61	2161-62	2162-63	2163-64	2164-65	2165-66	2166-67	2167-68	2168-69	2169-70	2170-71	2171-72	2172-73	2173-74	2174-75	2175-76	2176-77	2177-78	2178-79	2179-80	2180-81	2181-82	2182-83	2183-84	2184-85	2185-86	2186-87	2187-88	2188-89	2189-90	2190-91	2191-92	2192-93	2193-94	2194-95	2195-96	2196-97	2197-98	2198-99	2199-00	2200-01	2201-02	2202-03	2203-04	2204-05	2205-06	2206-07	2207-08	2208-09	2209-10	2210-11	2211-12	2212-13	2213-14	2214-15	2215-16	2216-17	2217-18	2218-19	2219-20	2220-21	2221-22	2222-23	2223-24	2224-25	2225-26	2226-27	2227-28	2228-29	2229-30	2230-31	2231-32	2232-33	2233-34	2234-35	2235-36	2236-37	2237-38	2238-39	2239-40	2240-41	2241-42	2242-43	2243-44	2244-45	2245-46	2246-47	2247-48	2248-49	2249-50	2250-51	2251-52	2252-53	2253-54	2254-55	2255-56	2256-57	2257-58	2258-59	2259-60	2260-61	2261-62	2262-63	2263-64	2264-65	2265-66	2266-67	2267-68	2268-69	2269-70	2270-71	2271-72	2272-73	2273-74	2274-75	2275-76	2276-77	2277-78	2278-79	2279-80	2280-81	2281-82	2282-83	2283-84	2284-85	2285-86	2286-87	2287-88	2288-89	2289-90	2290-91	2291-92	2292-93	2293-94	2294-95	2295-96	2296-97	2297-98	2298-99	2299-00	2300-01	2301-02	2302-03	2303-04	2304-05	2305-06	2306-07	2307-08	2308-09	2309-10	2310-11	2311-12	2312-13	2313-14	2314-15	2315-16	2316-17	2317-18	2318-19	2319-20	2320-21	2321-22	2322-23	2323-24	2324
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**DAHEJ SEZ LTD.**

**Note 2**  
**Investments**

"₹" in Millions

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-Trade Investments (Valued at cost)</b>		
<b>Investment in equity instruments (Unquoted)</b>		
1,00,00,000 Equity shares of Rs. 10/- fully paid up in Bharuch Dahej Railway Corporation Limited.	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**Note 3**  
**Other Non-current Assets**

"₹" in Millions

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Advances other than capital Advances</b>		
Security Deposits	1.19	1.00
<b>Others</b>		
GIDC Water Charges	2.41	2.41
Income Tax (Net)	66.17	132.33
MAT Credit Entitlement (FY 2014-15 to FY 2016-17)	45.12	-
<b>Total</b>	<b>114.89</b>	<b>135.75</b>

**Note 4**  
**Trade Receivables**

"₹" in Millions

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(a) Non Current</b>		
Unsecured, considered Good unless stated otherwise	7.79	6.80
<b>Total</b>	<b>7.79</b>	<b>6.80</b>
<b>(b) Current</b>		
<b>Unsecured, considered good unless stated otherwise Trade receivables outstanding for a period less than six months</b>		
Sundry Debtors for ROU, Service Charges & Others	188.70	188.36
Sundry Debtors for Rent & Royalties	0.41	0.14
<b>Unsecured, considered good unless stated otherwise Trade receivables outstanding for a period exceeding six Months</b>		
Sundry Debtors for ROU, Service Charges & Others	17.34	51.51
Sundry Debtors for Rent & Royalties	0.13	0.09
<b>Total</b>	<b>206.58</b>	<b>240.09</b>





**DAHEJ SEZ LTD.**

**Note 5**

**Cash and cash equivalents**

"₹" in Millions

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Balance with banks:</b>		
On current accounts (MOD)	3.76	(52.84)
<b>Cash on hand</b>	-	-
<b>Total</b>	<b>3.76</b>	<b>(52.84)</b>
<b>Other bank balances</b>		
Deposits with original maturity for more than 12 Month	-	-
Deposits with original maturity for more than 3 months but less than or equal to 12 months	2,541.95	2,212.13
<b>Total</b>	<b>2,541.95</b>	<b>2,212.13</b>
<b>Total</b>	<b>2,545.71</b>	<b>2,159.29</b>

\* The details of balances as on Balance Sheet date with banks are as follows.

Particulars	As at March 31, 2018	As at March 31, 2017
<b>In Current Accounts</b>		
HDFC Bank Ltd. - 2875	0.92	0.16
HDFC Bank Ltd. -3125 Dahej	-	0.72
State Bank of India - 8458	1.12	(53.88)
State Bank of India - 37231 E-Tax A/c	0.34	0.17
State Bank of India - 01345 EGGS A/c	0.01	0.00
Bank of Baroda - 0049	1.37	-
<b>Total</b>	<b>3.76</b>	<b>(52.84)</b>
<b>In Deposit Accounts</b>		
HDFC Bank	-	-
State Bank of India	140.93	60.36
<b>Total</b>	<b>140.93</b>	<b>60.36</b>
<b>Deposit with Financial Institutions</b>		
GSFS	2,401.02	2,151.77
<b>Total</b>	<b>2,401.02</b>	<b>2,151.77</b>



**Note 6****Other Current Assets**

"₹" in Millions

Particulars	As at March 31,2018	As at March 31, 2017
<b>(a) Financial Assets</b>		
Duties & taxes Receivable	0.04	0.01
Duty Draw Back Receivable	0.52	0.52
Service Tax Receivable	0.00	0.57
Interest receivable on FDR	82.65	75.62
Dues Receivable (From Allottee) A/c	297.58	-
N.A.A. and L.R. charges receivable -GIDC	-	11.61
Others	0.14	0.14
	<b>380.93</b>	<b>88.47</b>
<b>(a) Other Current Assets</b>		
Advances other than capital Advances		
Others	1.05	0.05
Prepaid Expenses	0.47	0.63
Advance to Sundry Creditors	0.18	0.19
<b>Current Tax Assets</b>		
MAT Receivable (Advance Tax) for FY 2017-18	33.50	-
TDS Receivable for FY 2017-18	44.53	-
MAT Credit Entitlement (FY 2017-18)	35.66	-
<b>Total</b>	<b>115.39</b>	<b>0.87</b>



Share Capital	As at March 31, 2018		As at March 31, 2017	
	Number	"₹"	Number	"₹"
<b>Authorised shares</b>				
Equity Shares of ₹ 10 each	10,00,00,000	1,000.0000	10,00,00,000	1,000.00
<b>Issued, subscribed and fully paid up shares</b>				
Equity Shares of ₹ 10 each	4,60,50,000	460.5000	4,60,50,000	460.50
Total issued, subscribed and fully paid-up share capital	4,60,50,000	460.5000	4,60,50,000	460.50

A. Statement of changes in equity

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number	"₹"	Number	"₹"
Balance at the beginning of the year	4,60,50,000	460.5000	4,60,50,000	460.50
<b>Changes in the equity share capital during the year:</b>				
1) Shares issued during the year	-	-	-	-
2) Shares bought back during the year	-	-	-	-
Balance at the end of the year	4,60,50,000	460.5000	4,60,50,000	460.50

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the liquidator may divide amongst the members, in specie or kind, the whole or any part of the assets of the company. The distribution will be in proportion to the number of the equity shares held by share holders. In 20th Board Meeting held on 7th January, 2012, Director – ONGC informed that Shareholders' Agreement needs to be executed among the promoters of the company and accordingly Draft Agreement has been submitted to GIDC and ONGC for discussion and finalization.

Name of Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
GIDC	2,30,25,000	50%	2,30,25,000	50%
ONGC	2,30,25,000	50%	2,30,25,000	50%



**DAHEJ SEZ LTD.**

**Note 8**

**Other Equity**

₹ in Millions

Particulars	Reserves & Surplus		Total
	Capital Reserves	Retained Earnings	
Balance as at 01/04/2014	34.14	716.50	750.64
Prior Period Errors		(0.11)	(0.11)
Depreciation Transition Adjustments as per Schedule II to Companies Act, 2013		(35.53)	(35.53)
Restated Balance as at 01/04/2014		680.86	715.00
Total Comprehensive Income for the Year		175.83	175.83
Balance as at 31/03/2015	34.14	856.69	890.83
Restated Balance as at 01/04/2015	34.14	856.69	890.83
Total Comprehensive Income for the Year	-	242.64	242.64
Prior Period Errors	5.51	11.17	16.67
Interest for the Year	0.42	-	0.42
Depreciation on CIP work done from Government of Gujarat Grant	1.35		1.35
Balance as at 31/03/2016	38.72	1,110.49	1,149.21
Total Comprehensive Income for the Year	-	311.10	311.10
Prior Period Errors	(5.93)	5.89	(0.03)
Depreciation on CIP work done from Government of Gujarat Grant	1.40	-	1.40
Balance as at 31/03/2017	31.39	1,427.49	1,458.88
Total Comprehensive Income for the Year	-	348.71	348.71
Prior Period Errors	-	(76.54)	(76.54)
Depreciation on CIP work done from Government of Gujarat Grant	1.33	-	1.33
Balance as at 31/03/2018	30.05	1,699.66	1,729.72





**DAHEJ SEZ LTD.**

**Note 9**

**Other long-term liabilities**

"₹" in Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Upront Lease Income (received in advance)	6,606.04	6,741.14
<b>Deposits</b>		
Deposit - allotment	19.53	16.76
Deposit - Others	14.29	14.34
<b>Total</b>	<b>6,719.86</b>	<b>6,772.24</b>

**Note 10**

**Other Current Liabilities**

"₹" in Millions

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(a) Financial Liabilities</b>		
Gujarat PCPIR Welfare Society	5.40	4.97
Interest Payable to GIDC	395.52	359.57
Statutory Liabilities and Duties & Taxes	6.44	2.15
Payable in respect of Capital Expenses	12.52	18.21
<b>Total</b>	<b>449.88</b>	<b>384.89</b>
<b>(b) Other Liabilities</b>		
Deposits - allotment	7.54	10.75
Deposit - Others	5.56	2.19
Upront Lease Income (received in advance)	305.13	207.50
Advances from Allottees for Land and ROU	87.46	13.94
Advance from Sundry Debtors	2.69	2.75
<b>Total</b>	<b>408.40</b>	<b>237.14</b>

**Note 11**

**Provisions**

"₹" in Millions

Particulars	As at March 31, 2018	As at March 31, 2017
Provisions for Expenses	7.79	5.21
<b>Total</b>	<b>7.79</b>	<b>5.21</b>

**Note 12**

**Tax Liabilities**

"₹" in Millions

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non Current:</b>		
Deferred Tax Liability	130.44	-
<b>Current:</b>		
MAT payable	90.25	87.20
Deferred Tax Liability	10.75	-
<b>Total</b>	<b>231.44</b>	<b>87.20</b>



**DAHEJ SEZ LTD.**

**Note 13**

**Revenue From Operations**

₹ in Millions

	For the year ending 31 March, 2018	For the year ending 31 March, 2017
<b>Operating revenues</b>		
Lease Rent on Sub Lease & service charges	199.36	188.68
RDU and Road Crossing Charges	18.04	17.88
Apportioned Lease	278.64	271.00
	<b>495.04</b>	<b>477.62</b>
<b>Other Operating revenues</b>		
Compound Wall Income	-	3.30
License Fees	2.00	2.00
Duty Draw Back	-	-
Rent of Weight Bridge	0.04	0.04
EMD / Deposit Forfeiture	1.20	2.31
Application Fees	0.76	0.64
Transfer Fee Income	9.10	5.55
Scrutiny Fees for Approval of Plan	0.04	1.21
Penalty Fees /Charges	15.09	32.93
Tender Fee Income	0.14	0.19
Late Payment Charges on Service Charge	0.52	-
Interest on Late Payment / Late Payment Charges	5.07	4.93
Rent & Royalty Income (FYC)	4.83	4.95
Misc. Income / Recoveries	0.10	0.03
	<b>40.09</b>	<b>58.14</b>
<b>Total</b>	<b>535.13</b>	<b>535.76</b>

**Note 14**

**Other Income**

₹ in Millions

	For the year ending 31 March, 2018	For the year ending 31 March, 2017
<b>Interest Income</b>		
Interest on Fixed Deposit	168.50	164.13
Interest on Income Tax Refund	-	1.03
Interest on Security Deposit	0.17	0.19
Interest on LIC Group Gratuity Scheme	0.00	0.00
Service Tax Refund	0.03	0.04
Profit on Sale of Car	-	0.20
Profit on Sale of Water Purifier Machine	0.00	-
<b>Total</b>	<b>168.70</b>	<b>165.60</b>

**Note 15**

**Employee Benefit Expense**

₹ in Millions

Particulars	For the year ending 31 March, 2018	For the year ending 31 March, 2017
Salaries, wages, bonus and other allowances	10.29	6.17
Contract Payment and other allowances	0.35	3.00
Contribution to Provident Fund	0.51	0.54
Group Gratuity cum Life Insurance Scheme	0.44	0.73
<b>Total</b>	<b>11.59</b>	<b>10.80</b>



**DAHEJ SEZ LTD.**

**Note 16**

**Financial costs**

"₹" in Millions

Particulars	For the year ending 31 March, 2018	For the year ending 31 March, 2017
Interest on Unpaid lease amortised	35.96	32.69
Interest on late payment of TDS	-	0.00
Interest on GST	0.00	-
Interest on late payment of service tax	0.02	0.00
Interest on Late Payment of Income Tax	-	1.89
Interest on Professional Tax	0.00	-
<b>Total</b>	<b>35.98</b>	<b>34.58</b>

**Note 17**

**Other Expenses**

"₹" in Millions

Particulars	For the year ending 31 March, 2018	For the year ending 31 March, 2017
Bank Charges	0.00	0.00
Communication	0.58	0.62
Repairs and Maintenance	0.58	1.28
Power and Fuel	2.16	2.66
Stationery and Printing	0.19	0.74
Security	11.74	8.80
Lease Line	0.49	0.50
Office Expenses	0.16	0.20
Other Expenses	0.08	0.06
Development Commissioner Expenses	17.48	12.32
Legal and Professional Exp	0.36	0.32
Payment to Auditors		
- Audit Fees	0.09	0.09
- Tax Audit Fees	0.02	0.02
Consultancy Expenses	0.97	0.93
Map Preparation and Survey	0.06	0.03
Other Infrastructure Exp.	12.71	13.60
Travelling	3.07	2.71
Advertising, Publicity and Business promotion Exp.	1.01	1.69
Entertainment	0.16	0.35
NAA, lease rent & other	11.65	10.11
Insurance of Property/ Fixed Assets	1.65	1.63
Corporate Social Responsibility Expenditure	4.87	4.40
<b>Total</b>	<b>70.08</b>	<b>63.05</b>



**18. Corporate Information**

Dahej SEZ Limited ("the Company") was incorporated on September 21, 2004 as a Company with the objective of developing Special Economic Zone (SEZ).

Consequent to the introduction of Special Economic Zone Act, 2005, the Company has received the approval of Government of India as a developer of Multi Product Special Economic Zone at Dahej. The company is developing infrastructure for Multi Product Special Economic Zone in the Dahej Region.

**19. General Information**

The company has prepared financial statements in accordance with Indian Accounting Standards (Ind AS) as adopted by India. Ind ASs as adopted by India differ in certain respects from IFRSs as issued by the International Accounting Standards Board ('IASB'). The principal accounting policies adopted by the Company are set out in note 20.

**20. Statement of Significant Accounting Policies****a. Basis for preparation**

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS), as prescribed by the Companies (Indian Accounting Standards) Rules, 2015 and the provisions of Companies Act, 2013.

These financial statements have been prepared on historical cost convention basis following accrual system of accounting.

**b. Use of Estimates**

The preparation of financial statements in conformity with Indian Accounting Standards requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures of contingent liabilities as on date of financial statements and reported amounts of revenue and expenditure for the reporting period. Any revision to accounting estimates is recognized prospectively in current and future periods. Actual results could differ from these estimates. Differences, if any, between the actual results and estimates is recognized in the year in which the results are known/materialises.

**c. Property, plant and equipments**

Property, plant and equipments are stated at cost of acquisition less accumulated depreciation. The Company capitalizes all costs relating to the acquisition, installation and construction of Property, plant and equipments, up to the date





when the assets are ready for commercial use and as per the certificate provided by the GIDC for completion of infrastructure.

**d. Work in Progress towards Infrastructure at Dahej SEZ**

The valuation of "Work in Progress" has been taken as per the statements and running bill for Infrastructure Development of SEZ provided by the GIDC with supporting documents. The completed Infrastructure Work which are not certified and handed over is treated as Work in Progress till the certification provided by the GIDC.

**e. Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. All direct capital expenditure incurred on expansion is capitalized.

**f. Depreciation on Property, plant and equipments**

- i) Depreciation on Fixed Assets is calculated following the Written Down Value Method and in the manner prescribed under Part "C" of Schedule 11 of the Companies Act, 2013.
- ii) As per the Companies Act, 2013, depreciation Transition adjustment of Rs. 35.5321 Millions under Reducing Balance Method has been adjusted from retained earnings during the year ended on 31-03-2015.
- iii) Cost of Lease Land includes interest payable to GIDC upto March-2008 [admeasuring to 1710 hectares for total lease cost Rs. 4703.040 Millions and interest payable to GIDC for Rs. 270.1474 Millions] is amortized [Amortization amount for the period 01/04/2017 to 31/03/2015 is Rs. 54.8498 Millions (PY Rs. 54.8498 Millions for Full Year) over the period of the Agreement of 99 years effective from 1st September 2006, with Gujarat Industrial Development Corporation.
- iv) Vide Letter No. GIDC/EE/BRH/1010 dated 27-05-2016, GIDC passed on the SEZ Benefits of Rs. 87.5353 Millions on the Basic Infrastructure and Water Supply Augmentation including TPI at Dahej which have already been put to use in previous years. Therefore, the Cost of the Basic Infrastructure and Water Supply Augmentation including TPI has been reduced by the SEZ



Benefits of Rs. 87.5353 Millions. The differential depreciation 11.1650 Millions on the SEZ Benefits of Rs. 87.5353 Millions has been reduced from the Accumulated Depreciation and has been adjusted from retained earnings as the Prior Period errors.

- v) As per the Consistent practice followed by the company, the depreciation on Electric fittings attached to the Infrastructure has been provided at useful life applicable to electric fittings.
- vi) Out of Gross value of Fixed Assets, assets aggregating Rs. 0.1420 Millions has not been put to use till **31/03/2018** and therefore depreciation there on has not been provided for. Individually the List of such assets is :

Rs. In Millions		
SR NO	Name of Asset	Amount (Rs.)
I	Infrastructure	0.1420
	<b>TOTAL</b>	<b>0.1420</b>

- vii) Company's Assets developed by GIDC and covered under the head Infrastructure, while considering the life span of such assets has been taken as per the Certificate issued by Technical Expert (Chartered Engineer) as required under Schedule 2 of the Companies Act, 2013.

#### **g. Investments**

Investments for long term period are classified as long – term investments. Long-term investments are carried at cost. However, no provision has been done for the permanent decline as management does not expect any decline in the near future.

#### **h. Debtors**

Debtors are stated at the book value after making provisions, if any, for the doubtful debts. Debtors having credit balance have been shown on Liability side of Balance Sheet under the head 'Other Current Liabilities'.

#### **i. Creditors**

Creditors having debit balance have been shown on Asset side of Balance Sheet under the head 'Other Current Assets'.



**j. Revenue Recognition**

Revenue is recognized to the extent that it is possible that the economic benefits will flow to the Company and the revenue can be reliably measured.

**a. Interest**

i) **Interest on Fixed Deposits:** Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rates. Interest Income is included under the head "Other Income" in the statement of profit and loss.

ii) **Interest on Late Payment of Installments:** Allottees are charged interest on account of late payment of due installments. The same is recorded in line with the prudent accounting policies.

- b. The land acquired on Lease from GIDC is sub-leased on a period of 30 years. The allotment price for the allotted land is amortized over a period of 30 years from the date of agreement or possession whichever is earlier.
- c. Application money received on account of land allotment is non refundable in nature and at the time of application EMD paid by allottees is treated as Deposits against the land allotment. In case if the applicant fails to produce LOA from the Development Commissioner or fails to make the payment on allotment, then EMD shall be refunded as per surrender policy of DSL, as decided in the 11th Board Meeting of DSL held on 6.10.2009.
- d. Service charges charged to allottees on the basis of land allotted within SEZ, Dahej.
- e. During the year 2017-2018, the company has made the payment to GIDC of Rs. 31,88,35,257 towards N.A.A. Charges, Lease Rent Infrastructure Fund and Interest Charges as per the decision taken by the competent authority. As per the Board Decision taken in the 43<sup>rd</sup> Board Meeting held on 27/03/2018 it has been concluded that the above referred amount paid is to be recovered from Units / Allottees of Dahej SEZ in the tenure of 15 Years.

**k. Income Taxes.**

Tax expense comprises current and deferred tax. Current income - tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Company enjoys tax holiday U/s 80 IAB of Income Tax Act, 1961 for the period of ten years effective from



financial year 2012-13. Provision of income tax represents amount payable under Minimum Alternate Tax (MAT) provisions of Income Tax Act, 1961.

**Deferred Tax:** The Company has recognized deferred tax assets/liabilities for the first time during FY 17-18

Deferred tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more post tax holiday periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

The Deferred Tax Position of the Company as on 31-03-2018 is as follows:

PARTICULARS	2017-2018	2016-2017
Opening Balance of Deferred Tax Asset / (Liability)	0.00	0.00
Effect of the Cumulative Deferred Tax Liability upto 31-03-17 (Other Equity - Prior Period Errors)	(130.44)	0.00
Effect of the Deferred Tax Liability of Financial Year 2017-18	(10.75)	0.00
<b>Closing Balance of Deferred Tax Asset / (Liability)</b>	<b>(141.20)</b>	<b>0.00</b>

**MAT Credit Entitlement:** The Company has recognized MAT Credit Entitlement for the first time during FY 17-18

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement.





The MAT Credit Entitlement Position of the Company as on 31-03-2018 is as follows:

PARTICULARS	2017-2018	2016-2017
Opening Balance of MAT Credit Entitlement	0.00	0.00
Effect of the Cumulative MAT Credit Entitlement from Financial Year 2014-15 to 2016-17 (Other Equity - Prior Period Errors)	45.12	0.00
Effect of the MAT Credit for the Financial Year 2017-18	35.66	0.00
Closing Balance of MAT Credit Entitlement	80.78	0.00

#### l. Contract Payment

It's an expense towards contractual work performed by the person appointed for execution of Administrative or Technical assignment.

#### m. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best management estimates. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Deputy Commissioner of Income Tax has raised demand of Rs.13.7477 Millions and Rs.82.0098 Millions for the assessment year 2008-09 and 2010-11 respectively. The matter for A.Y. 2008-09, 2010-11, 2011-12, 2012-13 and 2013-2014 are pending before ITAT.

However, outstanding demand of Rs. 82.0098 Millions in A.Y. 2010-11 against which an appeal had been filed to Commissioner of Income Tax (Appeals), Gandhinagar. No provision had been made against this demand as CIT (A) has



given decision in favour of Dahej SEZ Limited vide CIT Appeal No. CIT(A)/GNR/481/2013-14 Dated 14.10.2014.

For the Assessment Year 2015-2016 the company is in the process of filing appeal with the Commissioner of Income Tax (Appeals).

**n. Benefit of the Tax Exemption** of Excise, Sales Tax, Service Tax Goods and Service Tax and other local Tax for not levy on the revenue and materials supplied by the contractors of the SEZ and is adjusted at the time of final bill of GIDC.

**o. Cash Flow Statement**

Cash Flows are reported using the Indirect Method whereby Profit Before Extra Ordinary Items and Tax is adjusted for the Effects of the Transactions of Non Cash Nature and any Deferral of Accruals of Past or Future Receipts and Payments. The Cash Flow from Operating, Investing and Financing Activities of the Company are Segregated based on available information.

**21. Segment Information**

The Company is primarily engaged in the business of developing, operating and maintaining the SEZ and SEZ based related infrastructure facilities including Multi Product Special Economic Zone at Dahej. The entire business has been considered as a single segment in terms of Accounting Standard-17 on Segment Reporting issued by the Institute of Chartered Accountants of India. There being no business outside India, the entire business has been considered as single geographic segment.

**22. Lease Land Accounting**

Transfer of Land from Gujarat Industrial Corporation (GIDC) to Dahej SEZ Limited is for a lease term period of 99 years. Interest payable on lease consideration for deferral payment for the period 01/09/2006 to 31/03/2008 was being considered as cost of the lease hold land and amortized over a period of 99 years.

Interest payable to GIDC on account of late payment of installment payable to GIDC is treated as revenue expenditure, as decided in the 16<sup>th</sup> Board Meeting held on 30/09/2010.



**23. N.A.A., Lease Rent and Infrastructural Up gradation**

Lease Rent and NAA charges charged on receipt of the Invoice from the concern agency. However, the payment for the F.Y. 2017-18 has been made on the basis of the previous years' policy (2016-17) because of not receiving the Invoice from the G.I.D.C.

**24. The figures are rounded off to the nearest rupees in million and previous year figures have been regrouped / rearranged / re-classified wherever necessary so as to make them comparable with the current period's classification / groupings.****25. Lease rent on sub lease & Service Charges:**

The rates of fees and service charges for the year 2017-18 to be recovered from allottees of Dahej SEZ, have been decided by the SEZ Development Committee in the 25<sup>th</sup> Meeting held on 16.07.2018 and accordingly bills have been raised and provisions have been made in the account for service charges for the financial year 2017-18.

**26. Employee benefit:****I. Post Employment Defined Benefit Plans :****Gratuity (Funded)**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. As per the plan, the Gratuity Fund Trusts, administered and managed by the Trustees and funded primarily with Life Insurance Corporation of India (LIC), make payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Trustees are responsible for the overall governance of the plan and to act in accordance with the provisions of the trust deed and rules in the best interests of the plan participants. Each year an Asset-Liability matching study is performed in which the consequences of the strategic investment policies are analyzed in terms of risk and return profiles.

Investment and contribution policies are integrated within this study. Liabilities with regard to Gratuity plan are determined by actuarial valuation done by Life Insurance Corporation of India, based upon which, the company makes contributions to the Employee's Gratuity Funds.



The following tables sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company:

(Rs. In Millions)

		As at 31st March 2018	As at 31st March 2017
(a)	Reconciliation of Opening and Closing Balance of the Present Value of Defined Benefit Obligations:-		
	Present Value of Obligation at the beginning of the Year	0.96	0.63
	Current Service Cost	0.20	0.16
	Interest Cost	0.07	0.05
	Actuarial Losses (Gain) on Obligations	0.07	0.12
	Present Value of Obligation at the end of the Year	1.30	0.96
(b)	Reconciliation of Opening and Closing Balance of the Fair value of Plan Assets:		
	Fair Value of Plan Assets at the beginning of the year	0.91	0.85
	Return on Plan Assets (excluding amount included in Net Interest cost)	0.09	0.05
	Contribution by Employer	0.19	0.00
	Fair Value of Plan Assets at the end of the year	1.19	0.91
(c)	Reconciliation of Opening and Closing Balance of the Fair value of Plan Assets:		
	Present Value of obligation at the end of the Year	1.30	0.96
	Fair Value of plan Asset at the end of the year	1.19	0.91
	Funded Status	0.11	0.05
(d)	Expense Recognizable in Profit & Loss:		
	Current Service Cost	0.25	0.18
	Additional Contribution for Existing Funds	0.18	0.02
	LC Premium (Incl of Service Tax / GST)	0.02	0.01
	Total	0.44	0.21
(d)	Expense Recognized in Profit & Loss:		
	Recognized under 'Contribution to Provident and Other Funds' in Note 27	0.44	0.21
(e)	Category of Plan Assets:		
	Funded with LCI	100.00%	100.00%
	Cash and Cash Equivalents	-	-
(f)	Principal Actuarial Assumptions :		
	Discount Rate	7.50%	7.50%
	Salary Growth Rate	7.00%	7.00%

The Actuarial Valuation given by Life Insurance Corporation of India Ltd has been considered by the company and based on the same the Premium as determined by LIC has been paid by the company.





**II. Post Employment Defined Contributions Plans :****Provident Fund**

Certain categories of employees of the company receive benefit from a provident fund, a defined contribution plan. Both the employees and employer make monthly contributions to a government administered fund at specified percentage of the covered employees' qualifying salary. The company has no further obligations beyond its monthly contributions. During the year the amount of Rs 0.51 Millions (previous year Rs. 0.54 Millions) has been recognized as expenditure towards above defined contribution plan of the company.

**Leave Encashment**

Provision for Leave encashment to the employees is made during the year as per AS-15. The Dahej SEZ Ltd has opted for the Group Leave Encashment Scheme of Life Insurance Corporation of India. The provision made coincides with the Premium paid to the LIC for the Group Leave Encashment Scheme.

**III. Risk Exposure**

Through its defined benefit plan the company exposed to some risk the most significant of which are detailed below.

**Discount Rate Risk:**

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

**Salary Growth Risk:**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liabilities.

**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 benefit cost.



**27. Loan to / from Directors or Key Managerial Personnel**

During the Year 2017-2018 there was no Loan given to or taken from Directors or Other Key Managerial Personnel of the Company and as on 31-03-2018 there is no amount Recoverable from Directors or Key Management Personnel.

- 28.** The Company has received the judgments in its favour from Commissioner of Income Tax (Appeals) for the Assessment Year 2008-09, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15, the Income Tax Department has filed appeals against the Company with the Income Tax Appellate Tribunal except for A.Y. 2014-15.

**29. Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. During the year there are no impairment losses on assets of the Company.

- 30.** Capital commitments of Rs. **593.18** Millions (Total Contract Value Rs. 3,560.0000 Millions Less Work in Progress Rs. **71.81** Millions Less Infrastructure Capitalized Rs. 2,830.98 Millions (Including Govt Grant) Less Green Building Part 1 Rs. **50.16** Millions Less Green Building Part 2 Rs. 25.53 Millions Less Fire Station Building Part 1 Rs. **8.34** Millions) remaining unexecuted against infrastructure works at Dahej SEZ.

**31. Corporate Social Responsibility**

CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. 4.87 Millions (Previous Year Rs. 4.40 Millions)

Expenditure related to Corporate Social Responsibility is Rs. 4.87 Millions (Previous Year Rs. 4.40 Millions.)



Details of Amount spent towards CSR is given hereunder:

(Rs. In Millions.)

Particulars	2017-18	2016-17
Education	0.64	1.76
Health	1.50	2.50
Rural Transformation	2.73	0.14
Arts, Culture & Heritage	0.00	0.00
Disaster Response	0.00	0.00
Others	0.00	0.00
<b>Total</b>	<b>4.87</b>	<b>4.40</b>

Company has made provision of CSR for the year of 2015-16 amounting Rs. 3.00 million out of which Rs. 1.71 million has not been utilized.

### 32. Earnings per Share

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.

The Earnings considered in ascertaining the Company's EPS represent Profit for the Year after Tax. Basic EPS is computed and disclosed using the Weighted Average Number of Equity Shares outstanding during the Year.

#### Calculation of EPS:

Particulars	31-03-2018	31-03-2017
Profit After Tax (Rs. In Millions)	348.7118	311.1087
Weighted Average Number of Shares Outstanding	4,60,50,000	4,60,50,000
Basic EPS, Shares of Face Value of Rs. 10/- each (in Rs.)	7.57 per share	6.76 per share
Diluted EPS, Shares of Face Value of Rs. 10/- each (in Rs.)	7.57 per share	6.76 per share



**33. Related Party Transaction.**

As per Ind AS - 24 on "Related Party Disclosures", disclosures of transactions with the related parties are given below:

List of Related Parties:

Enterprise under Significant Influence of Key Management Personnel	Key Management Personnel and their Relatives	Associates
NIL	<p>Suresh. N. Patil (Chief Executive Officer)</p> <p>Pranav S. Patel (Chief Financial Officer)</p> <p>Nidhi H. Gandhi (Company Secretary)</p>	<p>Gujarat Industrial Development Corporation (GIDC)</p> <p>Oil and Natural Gas Corporation Ltd (ONGC)</p> <p>ONGC Petro Additions Ltd (OPAL)</p>

Dahej SEZ Ltd is a Joint Venture of GIDC and ONGC. The Shareholding of GIDC and ONGC in the company is 50 % each.

OPAL is subsidiary company of ONGC having Common Directorship and therefore treated as a Related Party.

The company has following dues from/to related parties as on 31/03/2018.

- The company has Rs. 0.04 Millions (Previous year Rs. NIL) due to GIDC Dahej towards the Revenue Charges Payable.
- The company has Rs. 0.47 Millions (Previous year Rs. 0.51 Millions) due from GIDC towards ROU (5 Mtr. Corri. 40 MLD CEPT)
- The company has Rs. 0.3 Millions (Previous year Rs. 0.26 Millions) due from GIDC towards ROU for Water Supply Distribution Network.
- The company has Rs. 0.07 Millions (Previous year Rs. 0.07 Millions) due from GIDC towards ROU for Laying 1016 mm Dia Effl. Pipe Line Part-2.
- The company has Rs. 0.68 Millions (Previous year Rs. Millions) Deposit with GIDC for the Water Connection.
- The company has paid during the year Rs. 149.63 Millions as Infrastructure Upgradation Fund Charges and Rs. 169.21 Millions as Interest expense to GIDC. However both the accounts are not having closing balance as on 31-





03-2018 as the amount collectively Rs. 318.84 Millions is transferred to Dues receivable from Allottees in 15 Years.

- The company has Rs. 2.41 Millions (Previous year Rs. 2.41 Millions) due from GIDC towards Reimbursement of Water Charges.
- The company has Rs. 395.52 Millions (Previous year Rs. 359.57 Millions) due to GIDC towards the Accrued Interest.
- The company has Rs. 0.03 Millions (Previous year Rs. 0.03 Millions) due to GIDC Bharuch towards Infra Work.
- The company has Rs. 6.24 Millions (Previous year Rs. 6.24 Millions) due to GIDC.
- The company has Rs. 37.92 Millions (Previous year Rs. 15.35 Millions) due to GIDC towards Infrastructure Development.
- The company has Rs. 8.68 Millions (Previous year Rs. 9.10 Millions) due from ONGC towards Lease Rent towards Plot No. Z-7/D.
- The company has received Upfront Lease Income from ONGC in advance for Plot No. Z-7/D the balance of which is Rs. 183.56 Millions as on 31-03-2018 (Previous year Balance Rs. 193.55 Millions).
- The company has received Upfront Lease Income from OPAL in advance for Plot No. Z/1 & Z/83 the balance of which is Rs. 1879.66 Millions as on 31-03-2018 (Previous year Balance Rs. 1865.35 Millions).
- The company has Rs. 1.03 Millions (Previous year Rs. 0.90 Millions) due from OPAL towards Lease Rent and Service Charge for Plot No. Z/83/1.
- The company has Rs. 0.06 Millions (Previous year Rs. Nil) due from OPAL towards Application Fees and ROU Charge for laying Naptha Pipeline from ONGC Hazira to OPAL.
- The company has Rs. 2.58 Millions (Previous year Rs. 2.58 Millions) due from OPAL towards ROU Charge for laying Pipeline from ONGC C2C3 Plant to OPAL.
- The company has Rs. 0.000821 Millions (Previous year Rs. 0.000821 Millions) due from OPAL towards ROU Charge for laying Naptha Pipeline in Corridor Area.
- The company has Rs. 0.000036 Millions (Previous year Rs. 0.000036 Millions) due from OPAL towards ROU Charge for laying HDPE Pipeline in Corridor Area.
- The company has Rs. 95.57 Millions (Previous year Rs. 76.47 Millions) due from OPAL towards Lease Rent and Service Charge for Plot No. Z/1 & Z/83.
- The company has received Upfront Lease Income from OPAL in advance for Plot No. Z/83/1 the balance of which is Rs. 23.44 Millions as on 31-03-2018 (Previous year Balance Rs. 24.34 Millions).



## Details of Related Party Transaction for the Year ended 31-March-2018

Particulars	(Rs In Millions)		
	Associates		
	GIDC	ONGC	OPAL
Application fees for RoU-Income	0.0000	0.0000	0.0500
ROU/Rent-Income	0.0000	0.2199	3.0059
Lease Rent and Service Charges-Income	0.0000	11.3622	96.5969
NAA and Lease rent charges-Expense	11.5485	0.0000	0.0000
Interest payable-Expense	205.1669	0.0000	0.0000
Upfront Lease Income/charges apportioned-Expense	54.8458	-	-
Income	-	9.9668	86.5847
Scrutiny Fees for approval of plan-Income	0.0000	0.0265	0.0000
Deposit for water connection-Capital Receipt	0.3441	0.0000	0.0000
Infrastructure fund Charges-Expense	149.6250	0.0000	0.0000
Infrastructure Expense-Expense	22.5657	0.0000	0.0000
Water Charges- Expense	0.3753	0.0000	0.0000

## Details of Key Management Personnel Transaction for the Year ended 31-March-2018

Particulars	(Rs In Millions)		
	Key Management Personnel		
	Suresh N. Patil	Pranav S. Patel	Nidhi H. Gandhi
Salaries	2354400.00	506772.00	247500.00

34. The Government of Gujarat had sanctioned a grant to the Company vide letter dtd. 24.05.2013 amounting to Rs. 941 lakhs out of which one tranche was received in FY 2013-14 amounting to Rs.341.40 lakhs. This Government Grant was to be utilized towards construction of dedicated corridor in Dahej SEZ. GIDC is the development agency appointed by the Company for development of Dahej SEZ who had awarded the contract for construction of Dedicated Corridor compound wall in Dahej SEZ vide GIDC Letter dtd. 27.02.2013 to one M/s Kunal Structure (I) Pvt. Ltd. The Company had made an adhoc payment towards



**DAHEJ SEZ LIMITED****Notes to financial statements for the period ended 31-March-2018**

infrastructure development work to GIDC amounting to Rs.25 crores in FY 2011-12 vide letter dtd.12.05.2011 which included construction of compound wall. Since the Company had already made the payment for construction of the compound wall before the receipt of the Government Grant, the management is of the view is that grant is deemed to be utilized.

In FY 2015-16 vide a Resolution No PSE/102015/864281/A of Finance Deptt. Of Government of Gujarat dtd. 22.12.2015 it was advised to the Company that interest should be paid to the Government on the amount of unutilized grants, in response to which the Company made a provision for interest payable to the government amounting to Rs.59,25,389/- on the aforesaid grant. This interest provision was accounted as prior period expense of Rs. 55,05,775/- in 2015-16 and Rs. 4,19,614 for 2015-16. However, considering the facts in para above, the Company has reversed this interest payable in FY 2016-17 since as per the opinion of the management, the said Government Grant is already utilized. This reversal of interest is disclosed in the Financial Statements in Note No. 8 as Prior Period Errors.

As per our report of even date attached.

For, Vinod & Narendra  
CHARTERED ACCOUNTANTS

ICAI Firm Reg. No.111497W

CA. Shaleen Shah

Partner

Membership No.105238

Place : Gandhinagar

Date:

11.9 NOV 2018  
11.9 NOV 2018



For and on behalf of the  
Board of Directors

Director  
Dahej SEZ Ltd.

C.F.O.

Dahej SEZ Ltd.

Place: Gandhinagar

Date:

11.6 NOV 2018

Director  
Dahej SEZ Ltd.

C.E.O.

Dahej SEZ Ltd.

