

INDEPENDENT AUDITORS' REPORT

To

The Members of JITF URBAN WASTE MANAGEMENT (FEROZEPUR) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **JITF URBAN WASTE MANAGEMENT (FEROZEPUR) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

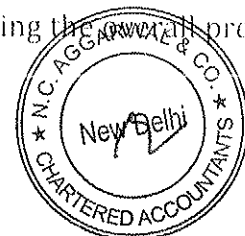
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the 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 thereunder.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2018 and its losses and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements


1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-1** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
 - (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 **Annexure-2**.
 - (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 does not have any pending litigations as on 31st March, 2018;



ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and

iii. There is no amount payable towards investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N


Rishu Bansal
Partner
Membership No.520759
Date: 18th May, 2018
Place: New Delhi



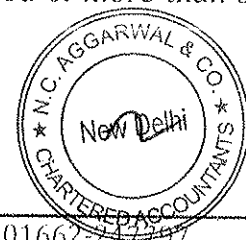
ANNEXURE-1 TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of **JITF URBAN WASTE MANAGEMENT (FEROZEPUR) LIMITED** on the accounts for the year ended 31st March, 2018)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) A major portion of the fixed assets has been physically verified by the Management in accordance with a phased programmed of verification once in two years adopted by the company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

(c) The Company does not own any immovable property. Hence, para 1(c) of the order for reporting on title deed of immovable property held in name of the Company is not applicable.
2. The company does not have inventory. Accordingly, the provision of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.
4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.
5. According to the information given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.
6. To the best of our knowledge and as explained, the maintenance of cost records as specified by the Central Government under sub-section (l) of section 148 of the Companies Act, 2013 is not applicable to the company.
7. (a) Undisputed statutory dues including provident fund, employee' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at 31st March, 2018 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 material dues in respect of income tax and sales tax which have not been deposited with the appropriate authorities on account of any dispute. To the best of our knowledge and as explained, the Company does not have any other statutory dues i.e. wealth tax, service tax, duty of customs, duty of excise and value added tax as mentioned in para (vii) (b) of the Order.
8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken loans or borrowing from financial institution, bank, government or issued any debentures. Accordingly, the provisions of clause 3(viii) of the order are not applicable to the company.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.
11. The Company has not paid any managerial remuneration under the provisions of Section 197 read with Schedule V of the Companies Act, 2013. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.
12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Act, and where applicable the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private allotment of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.



16. According to the information and explanations given to us, the Company is not required to be registered under section 45-1A of the Reserve Bank of India, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

Rupla

Rishu Bansal
Partner
Membership No.520759
Date: 18th May, 2018
Place: New Delhi



ANNEXURE-2 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of JITF URBAN WASTE MANAGEMENT (FEROZEPUR) LIMITED on the accounts for the year ended 31st March, 2018

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 JITF URBAN WASTE MANAGEMENT (FEROZEPUR) LIMITED ("the Company") as of 31st March, 2018 in conjunction with our audit of the 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 and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N



Rishu Bansal
Partner
Membership No.520759
Date: 18th May, 2018
Place: New Delhi



JITF Urban Waste Management (Ferozepur) Limited

BALANCE SHEET AS AT MARCH 31, 2018

CIN No.U90000UP2011PLC069642

(Amount in ₹)

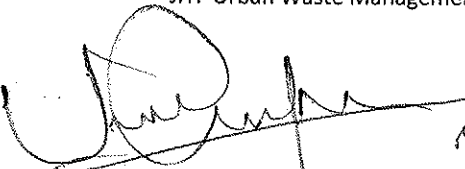
Particulars	Note No	As at March 31, 2018	As at March 31, 2017
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	16,239,825	23,327,186
(b) Capital work-in-progress		63,167,733	63,167,733
(c) Intangible assets	2	156,947	226,292
(d) Financial Assets			
(i) Other financial assets	3	10,000	24,500
(2) Current assets			
(a) Financial Assets			
(i) Trade receivables	4	9,399,873	8,084,007
(ii) Cash and cash equivalents	5	636,480	853,379
(iii) Other financial assets	6	-	2,476,880
(b) Current tax assets (Net)	7	1,607,754	2,077,826
(c) Other current assets	8	414,997	404,419
TOTAL ASSETS		91,633,609	100,642,222
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	9	587,560	587,560
(b) Other Equity		(151,176,169)	(114,490,948)
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	10	232,657,910	63,435,023
(ii) Other financial liabilities	11	4,758,286	3,255,886
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	-	139,800,000
(ii) Trade payables	13	1,396,797	2,398,237
(iii) Other financial liabilities	14	697,324	5,626,868
(b) Other current liabilities	15	2,711,901	29,596
TOTAL EQUITY AND LIABILITIES		91,633,609	100,642,222
Significant accounting policies and notes to financial statements	22		


As per our report of even date attached
For **N.C. Aggarwal & Co.**
Chartered Accountants
Firm Registration No. 003273N

For and on behalf of the Board of Directors of
JITF Urban Waste Management (Ferozepur) Limited


Rishu Bansal
Partner
M.No. 520759
Place : New Delhi
Dated : 18th May 2018




Umesh Chopra
Director
DIN - 05277483


Alok Kumar
Director
DIN - 00930344

JITF Urban Waste Management (Ferozepur) Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹)

Particulars	Note No	Year ended March 31, 2018	Year ended March 31, 2017
I Revenue from operations	16	1,446,830	7,865,038
II Other income	17	629,982	2,935,607
III Total Income (I+II)		<u>2,076,812</u>	<u>10,800,645</u>
IV Expenses			
Employee benefits expense	18	414,040	3,158,226
Finance costs	19	18,274,796	24,857,145
Depreciation and amortization expense	20	7,156,706	9,594,055
Other expenses	21	12,916,491	17,247,823
Total expenses (IV)		<u>38,762,033</u>	<u>54,857,249</u>
V Profit/(loss) before exceptional items and tax (III- IV)		<u>(36,685,221)</u>	<u>(44,056,604)</u>
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		<u>(36,685,221)</u>	<u>(44,056,604)</u>
VIII Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Total Tax Expense (VIII)		<u>-</u>	<u>-</u>
IX Profit (Loss) for the year (VII-VIII)		<u>(36,685,221)</u>	<u>(44,056,604)</u>
X Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
(i) Re-measurement gains (losses) on defined benefit plans		-	35,260
(ii) Income tax effect on above		-	-
Total Other Comprehensive Income		<u>-</u>	<u>35,260</u>
XI Total Comprehensive Income for the year (IX+X)(Comprising profit (loss) and other comprehensive income for the year)		<u>(36,685,221)</u>	<u>(44,021,344)</u>
XII Earnings per equity share			
(1) Basic (Amount in ₹)		(5.91)	(7.10)
(2) Diluted (Amount in ₹)		(5.91)	(7.10)
Significant accounting policies and notes to financial statements	22		

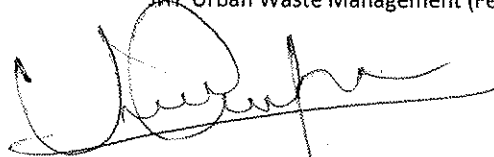
As per our report of even date attached
For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N

For and on behalf of the Board of Directors of
JITF Urban Waste Management (Ferozepur) Limited

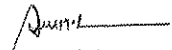


Rishu Bansal
Partner
M.No. 520759
Place : New Delhi
Dated : 18th May 2018





Umesh Chopra
Director
DIN - 05277483



Alok Kumar
Director
DIN - 00930344

JITF Urban Waste Management (Ferozepur) Limited
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

(Amount in ₹)

As at April 1, 2016	587,560
Changes in equity share capital during F.Y.2016-17	-
Balance as at March 31, 2017	587,560
Changes in equity share capital during F.Y.2017-18	-
Balance as at March 31, 2018	587,560

B. Other Equity

Particulars	Equity component of compound financial instruments*	Zero Coupon Compulsorily Convertible Debentures**	Reserves and Surplus		Items of Other Comprehensive Income	Total
			Securities Premium Reserve	Retained Earnings	Re-measurement of the net defined benefit Plans	Total
Balance as at April 1, 2016	24,872,995	61,500,000	99,491,982	(256,261,748)	(72,833)	(70,469,604)
Total Comprehensive Income for the year 2016-17	-	-	-	(44,056,604)	-	(44,056,604)
Re-measurements of the net defined benefit Plans	-	-	-	-	35,260	35,260
Balance as at March 31, 2017	24,872,995	61,500,000	99,491,982	(300,318,352)	(37,573)	(114,490,948)
Total Comprehensive Income for the year 2017-18	-	-	-	(36,685,221)	-	(36,685,221)
Balance as at March 31, 2018	24,872,995	61,500,000	99,491,982	(337,003,573)	(37,573)	(151,176,169)

*3,75,600 4% Cumulative Optionally Convertible Preference Shares (COCPS) having face Value of Rs. 100/- each and premium of Rs. 400/- on each COCPS allotted on 30th January, 2015. The COCPS shall be redeemed/converted at the option of the investor after 12 years in 3 equal annual instalments. In case of exercise of option by investor for conversion of COCPS, each COCPS shall be converted into 10 equity shares of Rs.10/- each. (Net of debt portion of Rs 6,34,35,023)

**61,500 Zero Coupon Compulsorily Convertible Debenture of face value of Rs. 1000/- each is convertible into 100 equity shares of Rs. 10/- each for each debenture after the period of 7years from the date of last tranche of CCD Allotment i.e. 23th November 2012 or long stop date i.e. 19th December, 2013 whichever is earlier.

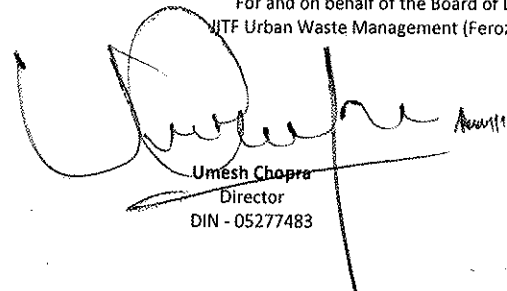
The accompanying notes forms an integral part of these financial statements.

As per our report of even date attached
 For N.C. Aggarwal & Co.
 Chartered Accountants
 Firm Registration No. 003273N


 Rishu Bansal
 Partner
 M.No. 520759
 Place : New Delhi
 Dated : 18th May 2018



For and on behalf of the Board of Directors of
 JITF Urban Waste Management (Ferozepur) Limited


 Umesh Chopra
 Director
 DIN - 05277483

Alok Kumar
 Director
 DIN - 00930344

JITF Urban Waste Management (Ferozepur) Limited
Statement of cash flows for the year ended March 31, 2018

(Amount in ₹)

PARTICULARS	Year ended March 31, 2018		Year ended March 31, 2017	
A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		(36,685,221)		(44,056,604)
Adjustments for :				
Add/(Less)				
Depreciation	7,156,706		9,594,055	
Interest Expenses	16,470,107		22,136,225	
Interest Income	(23,504)	23,603,309	(2,897,599)	28,832,681
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(13,081,912)		(15,223,923)
Adjustments for :				
Trade Receivables	(1,315,866)		729,518	
Loans and advances and other assets	3,922		100,537	
Trade and Other Payables	(1,746,279)	(3,058,223)	(1,093,973)	(263,918)
CASH GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS		(16,140,135)		(15,487,841)
Tax Paid		470,072		2,556,911
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		(15,670,063)		(12,930,930)
B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES				
Purchase of Property, Plant & Equipment	-		140,000,000	
Interest Received	2,500,384		6,365,350	
NET CASH INFLOW/(OUTFLOW)FROM INVESTING ACTIVITIES		2,500,384		146,365,350
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES				
Interest paid	(16,470,107)		(22,136,225)	
Increase/(Decrease) in Short Term Borrowings	(139,800,000)		96,800,000	
Increase/(Decrease) in Long Term Borrowings	169,222,887		(210,000,000)	
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		12,952,780		(135,336,225)
NET CHANGES IN CASH AND CASH EQUIVALENTS		(216,899)		(1,901,805)
Cash and cash equivalents at beginning of the year		853,379		2,755,184
Cash and cash equivalents at end of the year		636,480		853,379

NOTE:

1. Increase/(decrease) in long term and short term borrowings are shown net of repayments.
2. Figures in bracket indicates cash out flow.
3. The above cash flow statement has been prepared under the indirect method set out in IND AS - 7 'Statement of Cash Flows'
4. The accompanying notes forms an integral part of these financial statements.

As per our report of even date attached

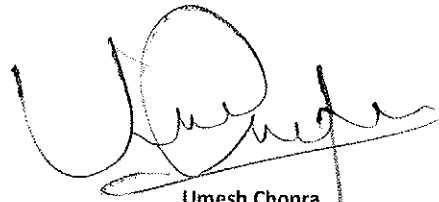
For and on behalf of the Board of Directors of
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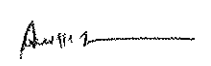
For N.C. Aggarwal & Co.

Chartered Accountants
 Firm Registration No. 003273N


Rishu Bansal
 Partner
 M.No. 520759
 Place : New Delhi
 Dated : 18th May 2018




Umesh Chopra
 Director
 DIN - 05277483


Alok Kumar
 Director
 DIN - 00930344

JITF Urban Waste Management (Ferozpur) Limited

Notes to Financial Statements

1. Property, Plant and Equipment

(Amount in ₹)

Particulars	Plant and Equipments	Office Equipments	Furniture and Fixtures	Vehicles	Computers	Total
Gross Block						
As at April 1, 2016	12,158,567	544,916	30,735	38,939,793	387,314	52,061,325
Additions	-	-	-	-	-	-
Disposal/Adjustments	-	-	-	-	-	-
As at March 31, 2017	12,158,567	544,916	30,735	38,939,793	387,314	52,061,325
Additions	-	-	-	-	-	-
Disposal/Adjustments	-	-	-	-	-	-
As at March 31, 2018	12,158,567	544,916	30,735	38,939,793	387,314	52,061,325
Accumulated Depreciation						
As at April 1, 2016	6,781,052	358,024	18,492	11,819,534	232,326	19,209,428
Charge for the year	3,449,792	86,775	9,264	5,908,283	70,597	9,524,711
Disposal/Adjustments	-	-	-	-	-	-
As at March 31, 2017	10,230,844	444,799	27,756	17,727,817	302,923	28,734,139
Charge for the year	1,078,410	46,894	1,033	5,908,283	52,742	7,087,362
Disposal/Adjustments	-	-	-	1	-	1
As at March 31, 2018	11,309,254	491,693	28,789	23,636,099	355,665	35,821,500
Net carrying amount						
As at March 31, 2016	5,377,515	186,892	12,243	27,120,259	154,988	32,851,897
As at March 31, 2017	1,927,723	100,117	2,979	21,211,976	84,391	23,327,186
As at March 31, 2018	849,313	53,223	1,946	15,303,694	31,649	16,239,825

2. Intangible Assets

Particulars	Software
Gross Block	
As at April 1, 2016	365,170
Additions	-
Disposal/Adjustments	-
As at March 31, 2017	365,170
Additions	-
Disposal/Adjustments	-
As at March 31, 2018	365,170
Accumulated Depreciation	
As at April 1, 2016	69,534
Charge for the year	69,344
Disposal/Adjustments	-
As at March 31, 2017	138,878
Charge for the year	69,344
Disposal/Adjustments	(1)
As at March 31, 2018	208,223
Net carrying amount	
As at March 31, 2016	295,636
As at March 31, 2017	226,292
As at March 31, 2018	156,947



JITF Urban Waste Management (Ferozpur) Limited
Notes to Financial Statements

(Amount in ₹)

Particulars

As at
March 31, 2018

As at
March 31, 2017

3. Other non-current financial assets

Security Deposits

- Unsecured, considered good

10,000

24,500

10,000

24,500

4. Trade receivables

Unsecured

Considered good

9,399,873

8,084,007

9,399,873

8,084,007

5. Cash and cash equivalents

Balances with Banks

On current accounts

636,480

853,379

636,480

853,379

6. Other current financial assets

Interest receivable *

-

2,476,880

-

2,476,880

* Refer Note no 22.10 for details of interest receivable from related party.

7. Current tax assets (net)

Advance taxation

1,607,754

2,077,826

1,607,754

2,077,826

8. Other current assets

Advances to vendors

292,900

222,730

Advance to Employees

104,261

158,537

Other receivables

17,836

23,152

414,997

404,419

9. Equity Share Capital

Authorised

1,00,000 (Previous year 1,00,000) Equity shares of Rs. 10/- each

1,000,000

1,000,000

4,20,000 Preference Shares of 100/-each

42,000,000

42,000,000

43,000,000

43,000,000

Issued

58,756 (Previous year 58,756) Equity shares of Rs. 10/- each fully paid up

587,560

587,560

587,560

587,560

Subscribed and fully paid-up

58,756 Equity shares of Rs. 10/- each fully paid up

587,560

587,560

587,560

587,560

4% Cumulative Optionally Convertible Preference Shares (COCPs)

3,75,600 Preference Shares of Rs.100/- each fully paid up

37,560,000

37,560,000

37,560,000

37,560,000



JITF Urban Waste Management (Ferozepur) Limited

Notes to Financial Statements

(Amount in ₹)

Particulars	As at	
	March 31, 2018	March 31, 2017
(a) Reconciliation of the number of shares:		
Equity shares		
Shares outstanding as at the beginning of the year	58,756	58,756
Shares outstanding as at the end of the year	<u>58,756</u>	<u>58,756</u>
4% Cumulative Optionally Convertible Preference Shares (COCPS)*		
Shares outstanding as at the beginning of the year	375,600	375,600
Shares outstanding as at the end of the year	<u>375,600</u>	<u>375,600</u>

*3,75,600 4% Cumulative Optionally Convertible Preference Shares (COCPS) having face Value of Rs. 100/- each and premium of Rs. 400/- each allotted on 30th January, 2015. These will be redeemed/converted at the option of the investor after 12 years in 3 equal annual instalments. In case of exercise of option by investor for conversion of COCPS, each COCPS shall be converted into 10 equity shares of Rs.10/- each.

(b) Details of shareholders holding more than 5% shares in the company:

Equity Shares

Name of Equity Shareholders	As March 31, 2018		As March 31, 2017	
	No. of shares	% of holding	No. of shares	% of holding
JITF Urban Infrastructure Limited*	52880	90	52880	90
Ladurner Impianpi S.R.L Italia	5876	10	5876	10
Total	58756	100	58756	100

* Including 6 Shares held by Person/Companies as nominees of JITF Urban Infrastructure Limited

Preference Shares

Name of COCPS Shareholder	As March 31, 2018		As March 31, 2017	
	No. of shares	% of holding	No. of shares	% of holding
JITF Urban Infrastructure Limited	375600	100	375600	100
Total	375600	100	375600	100

(c) Terms/Rights attached to shares

Equity Shares

The Company has only one class of equity shares having a par value of ₹10/- per equity share. Each equity shareholder is entitled to one vote per share.

Preference Shares

Preference shareholder (COCPS) would be entitled to vote only on issues relating to COCPS.

(d) Nature and Purpose of Reserves

Security premium account is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account and can use this reserve for buy-back of shares.

Retained Earnings represent the undistributed profits of the Company.

Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into i). Items that will not be reclassified to profit and loss ii). Items that will be reclassified to profit and loss.

NON CURRENT LIABILITIES

10. Non Current borrowings

Unsecured

Liability Component of Compound Financial Instrument (COCPS)	63,435,023	63,435,023
Loans from related parties *	169,222,887	
Total Non Current Borrowings	<u>232,657,910</u>	<u>63,435,023</u>

* Refer Note no 22.10 for details of Loan from related party.

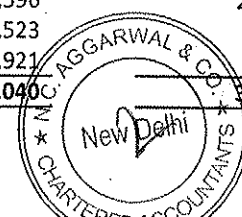


JITF Urban Waste Management (Ferozpur) Limited

Notes to Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
11. Other non-current financial liabilities		
Provision for interest on COCPS *	4,758,286	3,255,886
Total other non-current financial liabilities	4,758,286	3,255,886
* Refer Note no 22.10 for details of Provision for interest on COCPS.		
12. Current borrowings		
Unsecured		
Loans from related parties *	-	139,800,000
Total current borrowings	-	139,800,000
* Refer Note no 22.10 for details of Loan from related party.		
13. Trade payables		
Trade payables *	1,396,797	2,398,237
Total Trade payables	1,396,797	2,398,237
*There are no Micro and Small Enterprises, to whom the Company owes dues as at 31st March 2018. This Information as Required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been Determined to the extent such Parties have been Identified on the basis of information available with the Company.		
14. Other current financial liabilities		
Capital Creditors	-	531,451
Payable to related parties *	600,814	4,393,516
Other outstanding financial liabilities	96,510	701,901
Total other current financial liabilities	697,324	5,626,868
* Refer Note no 22.10 for details of payable to related party.		
15. Other current liabilities		
Statutory Dues	2,711,901	29,596
Total other current liabilities	2,711,901	29,596
		(Amount in ₹)
	Year ended March 31, 2018	Year ended March 31, 2017
16. Revenue from operations		
Sale of Services		
Tipping Fee	1,446,830	4,610,048
User Collection Revenue	-	3,254,990
Total Revenue from operations	1,446,830	7,865,038
17. Other income		
Interest Income	23,504	2,897,599
Other Non Operating Income	606,478	38,008
Total other income	629,982	2,935,607
18. Employee benefit expenses		
Salary and Wages	345,596	2,865,117
Contribution to Provident and other funds	19,523	196,928
Workmen & Staff welfare expenses	48,921	96,181
Total Employee benefit expenses	414,040	3,158,226



JITF Urban Waste Management (Ferozepur) Limited
Notes to Financial Statements

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
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19. Finance Cost

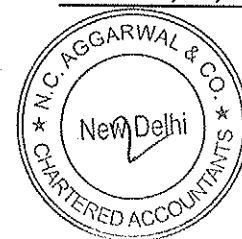
a) Interest Expense		
- on Term loans	-	22,136,225
- Other Interest	16,470,107	189
- Interest on fair valuation of financial Instrument	1,502,400	1,502,400
b) Bank and Finance charges	302,289	1,218,331
Total Finance Cost	18,274,796	24,857,145

20. Depreciation and amortisation

Depreciation	7,087,362	9,524,711
Amortisation	69,344	69,344
Total Depreciation and amortisation	7,156,706	9,594,055

21. Other expenses

Stores and Spares Consumed	-	44,940
Power and Fuel	608,271	1,648,791
Tipping Fee Paid	2,861,831	11,193,395
Hire Charges	291,740	1,495,400
Wieghment Charges	38,820	162,140
Transportation Cost	86,000	-
Repairs to Plant and Machinery	129,003	633,843
Rent	488,141	365,107
Rates and Taxes	1,274	184,625
Insurance	327,131	276,127
Repair and Maintenance-Others	28,904	7,585
Travelling and Conveyance	111,913	270,088
Vehicle Upkeep and Maintenance	12,875	-
Postage and Telephones	28,803	123,946
Legal and Professional Fees	6,895,566	128,144
Auditors' Remuneration	35,760	48,360
Other Selling Expenses	-	517,680
Miscellaneous Expenses	970,459	147,652
Total other expenses	12,916,491	17,247,823



JITF URBAN WASTE MANAGEMENT (FEROZEPUR) LIMITED

Significant Accounting Policies and Notes to Financial Statements

Note No: 22

1. Corporate and General Information

JITF Urban Waste Management (Ferozpur) Limited is a Company incorporated on 10th October, 2011 with the main object to develop and implement a viable and environmentally sustainable MSW management to scientifically manage the collection, transportation, processing and disposal of MSW and gainfully utilize it to produce compost, Refuse Derived Fuel ("RDF") and/or power, and dispose-off the residual matter in an environmentally benign manner by Developing, Constructing, Operating and Maintaining an Integrated Municipal Solid Waste Management Projects for Ferozpur Cluster in Punjab.

2. Basis of preparation

The Annual financial statement have been prepared complying with all Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015.

The Significant accounting policies used in preparing the financial statements are set out in Note no. 22.3 of the Notes to these Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 22.4 on critical accounting estimates, assumptions and judgements).

3.0 Significant Accounting Policies

3.1 Basis of Measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention except following which have been measured at fair value:

- financial assets and liabilities except certain Investments and borrowings carried at amortised cost,
- defined benefit plans – plan assets measured at fair value,
- Property, plant and equipment on transition to IND AS.

The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency and all amounts are rounded to the nearest rupee thereof, except as stated otherwise.

3.2 Property, Plant and equipment

On transition to IND AS, the Company had adopted exception for property, plant and equipment at fair value. Subsequently Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:

Category of Assets	Years
Equipment & Machinery	
- Plant & Machinery	5
Other Office Equipments	
- Computer equipment	3-5
- Office equipment	3-5
- Furniture & fixture	5
- Vehicles	8-10



JITF URBAN WASTE MANAGEMENT (FEROZEPUR) LIMITED

Significant Accounting Policies and Notes to Financial Statements

Note No: 22

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

3.3 Intangible Assets

Identifiable intangible assets are recognised a) when the Company controls the asset, b) it is probable that future economic benefits attributed to the asset will flow to the Company and c) the cost of the asset can be reliably measured.

Computer software's are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

3.4 Impairment of non-current assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

3.5 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

3.6 Inventories

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the weighted average basis.

3.7 Employee benefits

Employee benefit i.e. contribution to provident fund, leave encashment and gratuity is reimbursed to holding company on cost to cost basis and treated as defined contribution.

3.8 Foreign currency reinstatement and translation

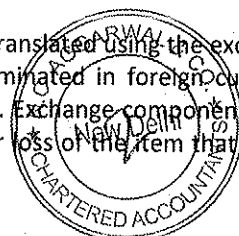
(a) Functional and presentation currency

Financial statements have been presented in Indian Rupees, which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in profit or loss. Differences arising on settlement of monetary items are also recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to



JITF URBAN WASTE MANAGEMENT (FEROZEPUR) LIMITED

Significant Accounting Policies and Notes to Financial Statements

Note No: 22

such exchange difference.

3.9 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

i. Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other Income

b) Financial Liabilities

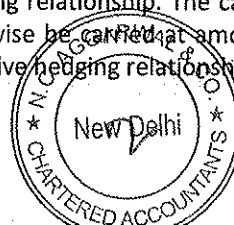
At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

ii. Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.



JITF URBAN WASTE MANAGEMENT (FEROZEPUR) LIMITED

Significant Accounting Policies and Notes to Financial Statements

Note No: 22

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.10 Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

3.11 Equity share capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

3.12 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

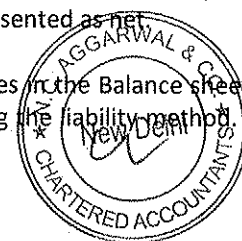
All other borrowing costs are expensed in the period in which they occur.

3.13 Taxation

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred



JITF URBAN WASTE MANAGEMENT (FEROZEPUR) LIMITED

Significant Accounting Policies and Notes to Financial Statements

Note No: 22

tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

3.14 Revenue recognition and other operating income

Sale of services-job work

Revenue for collection and transportation of Municipal solid waste i.e. tipping Fees including unbilled revenue is recognised on accrual basis.

Other Income

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

3.15 Earnings per share

Basic earnings per share are computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.16 Provisions and contingencies

Provisions

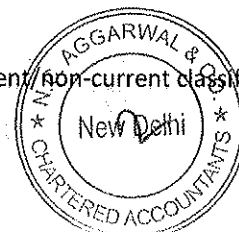
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.17 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.



JITF URBAN WASTE MANAGEMENT (FEROZEPUR) LIMITED

Significant Accounting Policies and Notes to Financial Statements

Note No: 22

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.18 Recent Ind AS Pronouncement

Standards issued but not yet effective

Ind AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs had notified Ind AS 115 (Revenue from Contracts with Customers) which would be applicable for accounting periods beginning on or after 1 April 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Revenue is recognised when a customer obtains control of a promised good or service. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The Company is in the process of assessing the detailed potential impact of Ind AS 115, Revenue from Contracts with Customer on its financial statements and related disclosures. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements.

Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

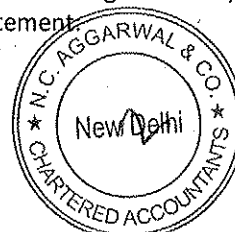
In March 2018, the Ministry of Corporate Affairs (MCA) has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which would be applicable for accounting periods beginning on or after 1 April 2018. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

Presently the Company is not able to reasonably estimate the impact of the application of the appendix B on the financial statements.

4. Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement.

- (a) Property, plant and equipment



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External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

On transition to IND AS, the Company had adopted optional exemption under Ind AS 101 for fair valuation of property, plant and equipment, subsequent to fair valuation depreciation has been charged on fair valued amount less estimated salvage value. On transition to IND AS, the Company has revisited useful life of various categories of assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

(b) Intangibles

Internal technical or user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

(c) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

(d) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(e) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

(f) Insurance claims

Insurance claims are recognised when the Company have reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

5.0 Financial risk management

5.1 Financial risk factors

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finance for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risks:

i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices risk applicable to the company is interest rate risk, deposits, investments. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of March 31, 2018 and March 31, 2017.

ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

iii) Liquidity risk.

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

Risk management is carried out by the treasury department under policies approved by the board of directors. The treasury team identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk.

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Market Risk

Interest rate risk is shown separately in separate table i.e interest rate sensitivity. There is no commodity or foreign exchange fluctuation risk to the company.

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

(a) Interest rate risk and sensitivity

There is no borrowing on floating rate of interest.

(b) Commodity price risk and sensitivity

The Company is not exposed to the movement in price of key raw materials.

Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

• Trade Receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing of unsecured trade receivable is as below:

Particulars	Neither due nor impaired	Past due but not impaired			Total
		upto 6 months	6 to 12 months	Above 12 months	
As at March 31, 2018					
Trade Receivable	-	144,473	3,863,652	5,391,748	9,399,873
As at March 31, 2017					
Trade Receivable	366,586	1,116,997	2,795,138	3,805,286	8,084,007

(Amount in ₹)

• Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

Liquidity risk

The Company's objective is to; at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.. In case of temporary short fall in liquidity to repay the bank borrowing/operational short fall , the company uses mix of capital infusion and borrowing from its holding company. However, the company envisage that such short fall is temporary and the company would generate sufficient cash flows as per approved projections.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.



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Particular	Carrying Amount	On Demand	Less Than 6 Months	6 to 12 Months	>1 Years	Total
As at March 31, 2018						
Interest Bearing Borrowing	232,657,910	-	-	-	232,657,910	232,657,910
Other Liabilities	5,455,610	600,814	96,510	-	4,758,286	5,455,610
Trade And Other Payables	1,396,797	-	1,396,797	-	-	1,396,797
Total	239,510,317	600,814	1,493,307	-	237,416,196	239,510,317

Particular	Carrying Amount	On Demand	Less Than 6 Months	6 to 12 Months	>1 Years	Total
As at March 31, 2017						
Interest Bearing Borrowing	203,235,023	139,800,000	-	-	63,435,023	203,235,023
Other Liabilities	8,882,754	4,393,516	1,233,352	-	3,255,886	8,882,754
Trade And Other Payables	2,398,237	-	2,398,237	-	-	2,398,237
Total	214,516,014	144,193,516	3,631,589	-	66,690,909	214,516,014

The Company is required to maintain ratios (including total debt to EBITDA / net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders, except where exemption is provided by lender.

Interest rate and currency of borrowings

The below table demonstrate the borrowing of fixed and floating rate of interest*

Particulars	(Amount in ₹)			
	Total Borrowing	Floating rate borrowing	Fixed rate borrowing	Weighted Average rate
INR	232,657,910	-	232,657,910	
Total as on March 31, 2018	232,657,910	-	232,657,910	9.35%
INR	203,235,023	-	203,235,023	
Total as on March 31, 2017	203,235,023	-	203,235,023	9.67%

*The sensitivity of floating rate is shown in the separate table in financial statement. The company does not have foreign currency borrowing.

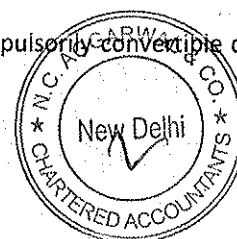
Competition and price risk

The project of Municipal solid waste is supported from state government. At present there is no risk of competition. The company envisages upgrading its expertise to meet the need of customer.

Capital risk management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued capital, compulsorily convertible debentures, share premium and all other equity reserves.



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The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The Gearing ratio for FY 2017-18 and 2016-17 is an under.

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Loans And Borrowings	232,657,910	203,235,023
Less: Cash And Cash Equivalents	636,480	853,379
Net Debt	232,021,430	202,381,644
Equity	(150,588,609)	(113,903,388)
Total Capital	81,432,821	88,478,256
Gearing Ratio	284.92%	228.74%

The company plan to reduce its gearing ratio.

6. Fair value of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

(Amount in ₹)

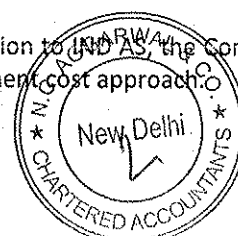
Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets designated at amortised cost				
Cash and bank balances	636,480	636,480	853,379	853,379
Trade and other receivables	9,399,873	9,399,873	8,084,007	8,084,007
Other financial assets	10,000	10,000	2,501,380	2,501,380
	10,046,353	10,046,353	11,438,766	11,438,766
Financial liabilities designated at amortised cost				
Borrowings- fixed rate	232,657,910	232,657,910	203,235,023	203,235,023
Trade and other payables	1,396,797	1,396,797	2,398,237	2,398,237
Other financial liabilities	5,455,610	5,455,610	8,882,754	8,882,754
	239,510,317	239,510,317	214,516,014	214,516,014

Fair Valuation techniques

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.
- 3) IND AS 101 allow Company to fair value property, plant and machinery on transition to IND AS, the Company has fair valued property, plant and equipment, and the fair valuation is based on replacement cost approach.



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Fair Value hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- Quoted prices / published NVA (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value(NAV) is published mutual fund operators at the balance sheet date.
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value hierarchy

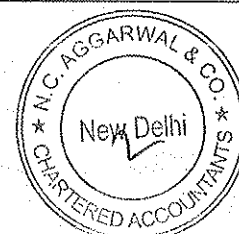
During the Financial Year 2016-17 and comparative 2015-16 there is no financial assets and liability where fair value is required to be done as per IND AS.

Liabilities for which fair value is disclosed

Particulars	As at March 31, 2018		
	Level 1	Level 2	Level 3
Financial liabilities			
Borrowings- fixed rate		232,657,910	
Other financial liabilities		5,455,610	
Particulars	As at March 31, 2017		
	Level 1	Level 2	Level 3
Financial liabilities			
Borrowings- fixed rate		203,235,023	
Other financial liabilities		8,882,754	

a) Liabilities for which fair value is disclosed

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial liabilities			
Other borrowings- fixed rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts
Other financial liabilities	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows



JITF URBAN WASTE MANAGEMENT (FEROZEPUR) LIMITED

Significant Accounting Policies and Notes to Financial Statements

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7. Segment information

Information about primary segment

The Company is engaged primarily into Municipal solid waste project. The Company's primary segment as identified by management is Municipal solid waste product. The company operates into one primary segment.

Segments have been identified taking into account nature of product and differential risk and returns of the segment.

Information about Geographical Segment – Secondary

The Company's operations are located in India and company's product is also sold in India. Therefore, there is no geographical segment.

8. Retirement benefit obligations

i. Expense recognised for Defined Contribution plan

Particulars	(Amount in ₹)
	Gratuity
Remeasurement - Acturial loss/(gain)	-
For the year ended March 31, 2018	-
Remeasurement - Acturial loss/(gain)	(35,260)
For the year ended March 31, 2017	(35,260)

ii. Employee benefit expenses

Particulars	(Amount in ₹)	
	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	345,596	2,865,117
Costs-defined contribution plan	19,523	196,928
Welfare expenses	48,921	96,181
Total	414,040	3,158,226

OCI presentation of defined benefit plan

-Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

-Leave encashment cost is in the nature of short term employee benefits.

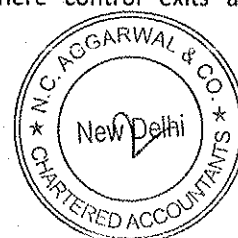
9. Other disclosures

Auditors Remuneration

Particulars	(Amount in ₹)	
	Year ended March 31, 2018	Year ended March 31, 2017
1. Statutory Auditors		
i. Audit Fee	35,760	34,560
ii. Tax Audit Fee	-	13,800
Total	35,760	48,360

10. Related party transactions

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:



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Related party name and relationship

1. Key Managerial personnel

S. No.	Name	Particulars
1	Mr. Umesh Chopra	Director
2	Mr. Anuj Kumar	Director
3	Mr. Alok Kumar	Director

2. Parent, Ultimate Parent, Fellow subsidiaries, direct subsidiaries and fellow step down subsidiaries.

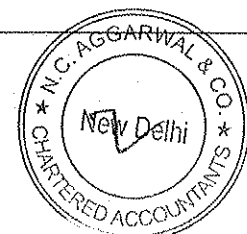
S. No.	Name of the Entity	Relationship
1	JITF Infralogistics Limited	Ultimate Parent Company
2	JITF Urban Infrastructure Services Limited	Parent Company
3	JITF Urban Infrastructure Limited	Holding Company
4	JITF Water Infrastructure Limited	Fellow Holding
5	Jindal Rail Infrastructure Limited	Fellow Holding
6	JITF Water Infra (Naya Raipur) Limited	Fellow Step down Subsidiary
7	JITF ESIPL CETP (Sitarganj) Limited	Fellow Step down Subsidiary
8	JITF Industrial Infrastructure Development Company Limited	Fellow Step down Subsidiary
9	JITF Urban Waste Management (Jalandhar) Limited	Fellow Subsidiary
10	JITF Urban Waste Management (Bathinda) Limited	Fellow Subsidiary
11	Jindal Urban Waste Management (Visakhapatnam) Limited	Fellow Subsidiary
12	Jindal Urban Waste Management (Tirupati) Limited	Fellow Subsidiary
13	Jindal Urban Waste Management (Guntur) Limited	Fellow Subsidiary
14	Timarpur-Okhla Waste Management Company Private Limited	Fellow Subsidiary
15	Jindal Urban Waste Management (Jaipur) Limited	Fellow Subsidiary
16	Jindal Urban Waste Management (Jodhpur) Limited	Fellow Subsidiary
17	Jindal Urban Waste Management (Ahmedabad) Limited	Fellow Subsidiary

3. Joint ventures/ associates of direct and indirect subsidiaries

S. No.	Name of the Entity	Relationship
1	JWIL-SSIL (JV)	Joint Venture of fellow holding
2	SMC-JWIL(JV)	Joint Venture of fellow holding
3	JWIL-Ranhill (JV)	Joint Venture of fellow holding
4	TAPI-JWIL (JV)	Joint Venture of fellow holding
5	Eldeco SIDCUL Industrial Park Limited	Associate/Joint Venture of fellow holding
6	Ladurner SRL	Associate/Joint Venture of holding company

4. Trust under control

S. No.	Name of the Entity	Relationship
1	JITF Urban Infrastructure Limited Employees Group Gratuity Assurance Scheme	Post employment benefit plan



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Related Party Transactions

(Amount in ₹)

S.NO	Particulars	Holding Company		Entities falling under same promoter group	
		FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
A	Transactions				
	Advance received back/Loan converted during the year				
	JITF Urban Infrastructure Limited	-	140,000,000	-	-
	Expenses incurred by others and reimbursed by company				
	JITF Urban Infrastructure Limited	2,667,104	3,913,016	-	-
	JITF Urban Waste Management (Jalandhar) Limited	-	-	28,913	-
	Interest expense				
	JITF Urban Infrastructure Limited	16,469,875	-	-	-
	Interest on fair valuation of financial Instrument				
	JITF Urban Infrastructure Limited	1,502,400	1,502,400	-	-
	Interest Income				
	JITF Urban Infrastructure Limited	-	2,752,088	-	-
	Loan repaid during the year				
	JITF Urban Infrastructure Limited	500,000	208,200,000	-	-
	Loan taken during the year				
	JITF Urban Infrastructure Limited	15,100,000	305,000,000	-	-
B	Outstanding balances				
	Equity Share Capital by Holding				
	JITF Urban Infrastructure Limited	528,800	528,800	-	-
	Optional Convertible Preference Share by Holding				
	JITF Urban Infrastructure Limited	187,800,000	187,800,000	-	-
	CCDs Liabilities				
	JITF Urban Infrastructure Limited	61,500,000	61,500,000	-	-
	Loan payable				
	JITF Urban Infrastructure Limited	169,222,887	139,800,000	-	-
	Payables				
	JITF Urban Infrastructure Limited	600,814	3,913,016	-	-
	JITF Urban Infrastructure Limited (OCPS)	4,758,286	3,255,886	-	-
	Jindal ITF Limited	-	-	-	480,500
	Receivables				
	JITF Urban Infrastructure Limited	-	2,476,880	-	-



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11. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	(Number of shares)	
	Year ended March 31, 2018	Year ended March 31, 2017
Issued equity shares	58,756	58,756
Equity shares compulsorily issuable on conversion of CCD	6,150,000	6,150,000
Weighted average shares outstanding - Basic and Diluted - A	6,208,756	6,208,756

Net profit / (loss) available to equity holders of the Company used in the basic and diluted earnings per share was determined as follows:

Particulars	(Amount in ₹)	
	Year ended March 31, 2018	Year ended March 31, 2017
Profit / (loss) after tax - B	(36,685,221)	(44,056,604)
Basic Earnings per share (B/A) (₹)	(5.91)	(7.10)
Diluted Earnings per share (B/A) (₹)	(5.91)	(7.10)

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

- The company does not have profit in current year. Therefore, premium on redemption of Optionally Convertible Preference shares as per Section 55 of the Companies Act, 2013 could not be made. The Premium on redemption of Preference shares would be provided for in Profit and Loss account in the year of profit.
- No deferred tax asset is created in view of the virtual certainty supported by convincing evidence as to the sufficient future taxable profit.
- Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.
- Notes 1 to 22 are annexed to and form an integral part of financial statements.

As per our report of even date attached
 For **N.C. Aggarwal & Co.**
 Chartered Accountants
 Firm Registration No. 003273N

For and on behalf of the Board of Directors of
 JITF Urban Waste Management (Ferozepur) Limited

Rupka

Rishu Bansal
 Partner

M.No. 520759

Place : New Delhi

Dated : *18th May, 2018*



[Signature]

Umesh Chopra
 Director
 DIN - 05277483

[Signature]

Alok Kumar
 Director
 DIN - 00930344