P.C. GOYAL & CO.

CHARTERED ACCOUNTANTS

B-3/2 TOP FLOOR PASCHIM VIHAR

New Delhi-110 063

INDEPENDENT AUDITORS' REPORT

To

The Members of JITF ESIPL CETP (SITARGANJ) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **JITF ESIPL CETP (SITARGANJ) 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.

P.C. Goyal & Co. New Delhi Chartered Accountants

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 profit 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 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

P.C. Goyal & Co. New Delhi Chartered Accountants

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 P.C. Goyal & Co.,
Chartered Accountants
Firm Registration No. 002368N

(M.P. Jain)
Partner
M. No. 082407
Dated: 24th May, 2018
Place: New Delhi

P.C. Goyal & Co. New Delhi Chartered Accountants

ANNEXURE-1 TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of **JITF ESIPL CETP (SITARGANJ) 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) The fixed assets of the Company have been physically verified by the management during the year and we are informed that no serious discrepancies have been noticed by the management on such verification.

   (c) The Company does not have any immovable property wherein reporting requirement with respect to title deed is 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. According to the information and explanations given to us, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues of income tax, sales-tax, and service tax, as applicable to the Company have been generally regularly deposited with the appropriate authorities and there are no undisputed dues of income tax, sales-tax, and service tax outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable. To the best of our knowledge and as explained, the Company does not have any other statutory dues i.e. provident fund, employees' state insurance, duty of customs, duty of excise, value added tax, cess as mentioned in para (vii) (a) of the Order.

P.C. Goyal & Co.
New Delhi
Chartered Accountants

(b) According to the information and explanations given to us, there are no material dues in respect of income tax, sales-tax and service 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. 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 any money by way of initial public offer or further public offer or debt instruments. Accordingly, the 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.

P.C. Goyal & Co. New Delhi Chartered Accountants

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

For P.C. Goyal & Co.,
Chartered Accountants
Firm Registration No. 002368N

(M.P. Jain)
Partner
M. No. 082407
Dated: 24th 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 ESIPL CETP (SITARGANJ) 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 ESIPL CETP (SITARGANJ) 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.

P.C. Goyal & Co. New Delhi Chartered Accountants

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 P.C. Goyal & Co.,
Chartered Accountants
Firm Registration No. 002368N

P.C. Goyal & Co. New Delhi Chartered Accountants

(M.P. Jain)
Partner
M. No. 082407
Dated: 24th May,2018
Place: New Delhi

JITF ESIPL CETP (Sitarganj) Limited
Balance Sheet As At March 31, 2018
CIN No: U41000UP2007PLC069572

(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	11,77,38,065	11,80,28,660
	(b) Financial Assets			
	(i) Investments	2	25,000	25,000
	(ii) Other financial assets	3	10,37,701	4,65,112
	(c) Deferred tax assets (net)	4	54,73,809	68,82,889
(2)	**Current assets**			
	(a) Financial Assets			
	(i) Trade receivables	5	1,20,48,311	70,38,072
	(ii) Cash and cash equivalents	6	39,22,322	49,82,634
	(iii) Bank balances other than (ii) above	7	85,00,000	44,68,621
	(iv) Other financial assets	8	1,31,085	2,03,391
	(b) Current tax assets (Net)	9	11,67,352	6,19,835
	(c) Other current assets	10	14,44,943	43,940
	Total Assets		**15,14,88,588**	**14,27,58,154**
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	11	1,05,68,010	1,05,68,010
	(b) Other Equity		2,79,70,957	(4,06,97,006)
	Liabilities			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	12	7,39,67,121	9,97,82,000
	(ii) Other financial liabilities	13	27,12,147	4,06,82,052
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	14	2,77,34,007	2,68,64,494
	(ii) Trade payables	15	51,09,562	39,95,295
	(iii) Other financial liabilities	16	27,57,706	7,49,940
	(b) Other current liabilities	17	6,69,078	8,13,369
	Total Equity and Liabilities		**15,14,88,588**	**14,27,58,154**
	Significant accounting policies and notes to financial statements	25		

As per our report of even date attached
For **P. C. Goyal & Co**
Chartered Accountants
Firm Registration No. 002368N

M.P.Jain
Partner
M.No. 082407
Place : New Delhi
Dated : 24th May,2018

P.C. Goyal & Co. New Delhi Chartered Accountants

For and on behalf of the Board of Directors of JITF ESIPL CETP (Sitarganj) Limited

Bharat Bhushan Mehmi
Whole Time Director
DIN - 07897323

Rajesh Ravishankar Baijal
Director
DIN - 00325239

Anuj Kumar
CFO

Kanika Sharma
Company Secretary
A50968

JITF ESIPL CETP (Sitarganj) 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**	18	4,30,58,585	4,22,68,320
II	Other income	19	4,00,63,225	3,78,416
III	**Total Income (I+II)**		**8,31,21,810**	**4,26,46,736**
IV	**Expenses**			
	Cost of materials consumed	20	73,89,698	79,93,458
	Employee benefits expense	21	16,05,170	-
	Finance costs	22	52,94,687	1,78,82,753
	Depreciation and amortization expense	23	48,01,728	46,16,609
	Other expenses	24	1,97,68,363	1,51,66,809
	Total expenses (IV)		**3,88,59,646**	**4,56,59,630**
V	**Profit/(loss) before exceptional items and tax (III- IV)**		**4,42,62,164**	**(30,12,894)**
VI	Exceptional Items		-	-
VII	**Profit/(loss) before tax (V-VI)**		**4,42,62,164**	**(30,12,894)**
VIII	**Tax expense:**			
	(1) Current tax		-	-
	(2) Deferred tax		14,09,080	39,40,805
	Total Tax Expense (VIII)		**14,09,080**	**39,40,805**
IX	Profit (Loss) for the year (VII-VIII)		**4,28,53,084**	**(69,53,698)**
X	**Other Comprehensive Income**		-	-
	Items that will not be reclassified to profit and loss			
	(i) Re-measurement gains (losses) on defined benefit plans		-	-
	(ii) Income tax effect on above		-	-
	Total Other Comprehensive Income		-	-
XI	**Total Comprehensive Income for the year (IX+X)(Comprising profit (loss) and other comprehensive income for the year)**		**4,28,53,084**	**(69,53,698)**
XII	**Earnings per equity share**			
	(1) Basic (`)		40.55	(6.58)
	(2) Diluted (`)		40.55	(6.58)
	Significant accounting policies and notes to statements	25		

As per our report of even date attached
For **P. C. Goyal & Co**
Chartered Accountants
Firm Registration No. 002368N

M.P.Jain
Partner
M.No. 082407
Place : New Delhi
Dated : 24th May,2018

P.C. Goyal & Co. New Delhi Chartered Accountants

For and on behalf of the Board of Directors of JITF ESIPL CETP (Sitarganj) Limited

Bharat Bhushan Mehmi
Whole Time Director
DIN - 07897323

Rajesh Ravishankar Baijal
Director
DIN - 00325239

Anuj Kumar
CFO

Kanika Sharma
Company Secretary
A50968

JITF ESIPL CETP (Sitarganj) 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		**4,42,62,164**		**(30,12,894)**
Adjustments for :				
Add/(Less)				
Depreciation	48,01,728		46,16,609	
Interest Expenses	35,43,043		64,22,025	
Excess provision written back	(3,79,69,905)		-	
Interest Income	(3,46,485)	**(2,99,71,619)**	(3,78,416)	**1,06,60,218**
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**1,42,90,545**		**76,47,324**
Adjustments for :				
Trade Receivables	(50,10,239)		(11,71,501)	
Loans and advances and other assets	(60,04,971)		2,98,845	
Trade and Other Payables	29,77,742	**(80,37,468)**	1,19,77,766	**1,11,05,110**
CASH GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS		**62,53,077**		**1,87,52,434**
Direct Tax Paid		**(5,47,517)**		**(2,97,286)**
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		**57,05,560**		**1,84,55,148**
B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES				
Purchase of Property,Plant and Equipment	(45,11,133)		(33,30,250)	
Interest Received	4,18,791		3,87,934	
NET CASH INFLOW/(OUTFLOW)FROM INVESTING ACTIVITIES		**(40,92,342)**		**(29,42,316)**
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES				
Interest paid	(35,43,043)		(59,68,396)	
Loan Repaid to Holding company	8,69,513		(3,36,01,417)	
Increase/(Decrease) in Long Term Borrowings	-		2,80,31,701	
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		**(26,73,530)**		**(1,15,38,112)**
NET CHANGES IN CASH AND CASH EQUIVALENTS		**(10,60,312)**		**39,74,720**
Cash and cash equivalents at beginning of the year		**49,82,634**		**10,07,914**
Cash and cash equivalents at end of the year		**39,22,322**		**49,82,634**
		(10,60,312)		**39,74,720**

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 **P. C. Goyal & Co**
Chartered Accountants
Firm Registration No. 002368N

P.C. Goyal & Co. New Delhi Chartered Accountants

M.P.Jain
Partner
M.No. 082407
Place : New Delhi
Dated : 24th May,2018

For and on behalf of the Board of Directors of JITF ESIPL CETP (Sitarganj) Limited

Bharat Bhushan Mehmi
Whole Time Director
DIN - 07897323

Rajesh Ravishankar Baijal
Director
DIN - 00325239

Anuj Kumar
CFO

Kanika Sharma
Company Secretary
A50968

JITF ESIPL CETP (Sitarganj) Limited
Statement of changes in equity for the year ended March 31, 2018

A. Equity Share Capital

(Amount in ₹)

Balance as at at April 1, 2016	Changes in equity share capital during 2016-17	Balance as at at March 31, 2017	Changes in equity share capital during 2017-18	Balance as at March 31, 2018
1,05,68,010	-	1,05,68,010	-	1,05,68,010

B. Other Equity

Particulars	Reserves and Surplus			Total
	Equity component of compound Financial Instrument	Securities Premium	Retained Earnings	
Balance as at April 1, 2016	**-**	**2,01,36,020**	**(5,38,79,328)**	**(3,37,43,308)**
Total Comprehensive Income for the year 2016-17	-	-	(69,53,698)	**(69,53,698)**
Balance as at March 31, 2017	**-**	**2,01,36,020**	**(6,08,33,026)**	**(4,06,97,006)**
Issued during the year	**2,58,14,879**	-	-	**2,58,14,879**
Total Comprehensive Income for the year 2017-18	-	-	4,28,53,084	**4,28,53,084**
Balance as at March 31, 2018	**2,58,14,879**	**2,01,36,020**	**(1,79,79,942)**	**2,79,70,957**

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

As per our report of even date attached
For **P. C. Goyal & Co**
Chartered Accountants
Firm Registration No. 002368N

P.C. Goyal & Co. New Delhi Chartered Accountants

M.P.Jain
Partner
M.No. 082407
Place : New Delhi
Dated : 24th May,2018

For and on behalf of the Board of Directors of JITF ESIPL CETP (Sitarganj) Limited

Bharat Bhushan Mehmi
Whole Time Director
DIN - 07897323

Rajesh Ravishankar Baijal
Director
DIN - 00325239

Anuj Kumar
CFO

Kanika Sharma
Company Secretary
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JITF ESIPL CETP (Sitarganj) Limited
Notes to Financial Statements

1. Property, Plant and Equipment (Amount in ₹)

Particulars	Buildings	Temporary Structure	Plant and Equipment	Office Equipment	Furniture & Fixtures	Computer	Total
Gross Block							
As at April 1, 2016	5,14,89,065	2,16,492	7,66,55,056	-	-		12,83,60,613
Additions	-	-	33,30,250	-	-		33,30,250
As at March 31, 2017	5,14,89,065	2,16,492	7,99,85,306	-	-		13,16,90,863
Additions	26,71,675	-	16,86,515	66,797	84,300	1,846	45,11,133
As at March 31, 2018	5,41,60,740	2,16,492	8,16,71,821	66,797	84,300	1,846	13,62,01,996
Accumulated Depreciation							-
As at April 1, 2017	25,63,180	2,16,492	62,65,922	-	-	-	90,45,594
Charge for the year	12,81,590	-	33,35,019	-	-	-	46,16,609
As at March 31, 2017	38,44,770	2,16,492	96,00,941	-	-	-	1,36,62,203
Charge for the year	13,27,358	-	34,60,994	4,332	9,042	2	48,01,728
As at March 31, 2018	51,72,128	2,16,492	1,30,61,935	4,332	9,042	2	1,84,63,931
Net carrying amount							
As at March 31, 2017	4,76,44,295	-	7,03,84,365	-	-	-	11,80,28,660
As at March 31, 2018	4,89,88,612	-	6,86,09,886	62,465	75,258	1,844	11,77,38,065

P.C. Goyal & Co. New Delhi Chartered Accountants

JITF ESIPL CETP (Sitarganj) Limited
Notes to Financial Statements

2. Investments (Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Investments in Government Securities		
National Saving Certificates	25,000	25,000
Total Non-current Investment	**25,000**	**25,000**

3. Other non-current financial assets (Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Security Deposits		
- Unsecured, considered good	10,37,701	4,65,112
Total Other non current financial assets	**10,37,701**	**4,65,112**

4. Deferred Tax Asset (Net) (Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
(A) Deferred Tax Liability		
Difference between book and tax base related to fixed assets	1,44,76,742	1,22,08,957
(B) Deferred Tax Assets		
Carried forward Losses	1,99,50,551	1,90,91,846
Total Deferred tax assets (B-A) (net)	**54,73,809**	**68,82,889**

5. Trade Receivables (Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured Considered good	1,20,48,311	70,38,072
Total Trade Receivables	**1,20,48,311**	**70,38,072**

6. Cash and Cash equivalents (Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
On current accounts	39,22,322	49,82,634
Total Cash and Cash equivalents	**39,22,322**	**49,82,634**

7. Other Bank Balances (Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Fixed Deposits with remaining maturity of more than 3 months but less than 12 months and other than considered in cash and cash equivalents*	85,00,000	44,68,621
Total Other Bank balances	**85,00,000**	**44,68,621**

**Pledged with bank of Rs 25,00,000 as margin against bank gurantee*

8. Other Current Financial Assets (Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest accrued but not due on fixed deposit	1,31,085	2,03,391
Total Other Current Financial Assets	**1,31,085**	**2,03,391**

9. Current Tax Assets (Net) (Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance Tax	11,67,352	6,19,835
Total Current Tax Assets (Net)	**11,67,352**	**6,19,835**

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JITF ESIPL CETP (Sitarganj) Limited
Notes to Financial Statements

10. Other Current Assets

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Advances to vendors	5,37,081	-
Other receivables	9,07,862	43,940
Total Other Current Assets	**14,44,943**	**43,940**

11. Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised		
(i) 1,200,000 Equity Shares of ₹ 10/- each	1,20,00,000	1,20,00,000
(ii) 11,35,000 Cumulative Redeemable Preference shares of Rs. 100/- each	11,35,00,000	11,35,00,000
	12,55,00,000	**12,55,00,000**
Issued		
1,056,801Equity Shares of ₹ 10/-each fully paid up	1,05,68,010	1,05,68,010
	1,05,68,010	**1,05,68,010**
Subscribed and fully paid-up		
1,056,801 Equity Shares of ₹ 10/-each fully paid up	1,05,68,010	1,05,68,010
Total Equity Share Capital	**1,05,68,010**	**1,05,68,010**
(a) Reconciliation of the number of shares:		
Equity shares		
Shares outstanding as at the beginning of the year	10,56,801	10,56,801
Shares outstanding as at the end of the year	**10,56,801**	**10,56,801**

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

Name of Shareholders	No. of shares	% of holding as at 31.03.2018	No. of shares	% of holding as at 31.12.2017
JITF Water Infrastructure Limited, Holding Company*	5,38,968	51%	5,38,968	51%
Eldeco SIDCUL Industrial Park Limited, Associate Company**	5,17,833	49%	5,17,833	49%
Total	**10,56,801**	**100%**	**10,56,801**	**100%**

* including 3 shares held by person/ companies as nominees of JITF Water Infrastructure Limited

** including 2 shares held by person/ companies as nominees of Eldeco SIDCUL Industrial Park Limited

(c) Terms/Rights attached to equity shares

The equity share has par value of ₹ 10/- each. Equity shareholder is entitled to one vote per share.

12. Non Current borrowings

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured		
4% Cumulative Redeemable Preference Shares *	7,39,67,121	9,97,82,000
Total Non Current Borrowings	**7,39,67,121**	**9,97,82,000**

* 634713 4% Cumulative Redeemable Preference Shares are issued on 19.03.2013 and redeemable after 10 years of allotment
363107 4% Cumulative Redeemable Preference Shares are issued on 02.12.2016 and redeemable after 5 years of allotment

13. Other Non-Current Financial Liabilities

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Accrued Interest on Cumulative Redeemable Preference Shares	27,12,147	4,06,82,052
Total other non-current financial liabilities	**27,12,147**	**4,06,82,052**

14. Current borrowings

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured		
Loans from related parties*	2,77,34,007	2,68,64,494
Total current borrowings	**2,77,34,007**	**2,68,64,494**

***Refer Note No 25.12 of notes to accounts**

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Notes to Financial Statements

15. Trade payables (Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables #	51,09,562	39,95,295
Total Trade payables	**51,09,562**	**39,95,295**

#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.

16. Other Current Financial Liabilities (Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Security Deposit	40,000	49,540
Other outstanding financial liabilities*	26,53,893	6,47,218
Dues to Employees	63,813	53,182
Total other current financial liabilities	**27,57,706**	**7,49,940**

*Includes provision for expenses

17. Other current liabilities (Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Statutory Dues	6,69,078	8,13,369
Total other current liabilities	**6,69,078**	**8,13,369**

18. Gross revenue from operations (Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Operation and Maintenance Income	4,30,58,585	4,22,68,320
Total Revenue from operations	**4,30,58,585**	**4,22,68,320**

19. Other income (Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income	3,46,485	3,78,416
Excess Provision written Back	3,97,16,740	-
Total other income	**4,00,63,225**	**3,78,416**

20. Cost of materials consumed (Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Material consumed	73,89,698	79,93,458
Total cost of materials consumed	**73,89,698**	**79,93,458**

21. Employee benefit expenses (Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salary and Wages	16,05,170	-
Total Employee benefit expenses	**16,05,170**	-

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JITF ESIPL CETP (Sitarganj) Limited
Notes to Financial Statements

22. Finance Cost

(Amount in ₹)

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
a) Interest Expense		
- on Term loan	-	5,12,326
- Other Interest	35,43,043	59,09,699
- finance cost on 4% cumulative redeemable preference shares	17,46,835	1,13,11,360
b) Bank and Finance charges	4,809	1,49,368
Total Finance Cost	**52,94,687**	**1,78,82,753**

23. Depreciation

(Amount in ₹)

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Depreciation	48,01,728	46,16,609
Total Depreciation and amortisation	**48,01,728**	**46,16,609**

24. Other Expenses

(Amount in ₹)

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Manufacturing expenses		
Power and Fuel	79,10,282	66,27,548
Other Manufacturing Expenses	33,60,435	31,00,843
Repairs to Plant and Machinery	36,87,044	12,66,734
Administrative, Selling and other expenses		
Rent	2,11,293	11,02,901
Rates and Taxes	8,000	5,407
Insurance	92,908	99,839
Repair and Maintenance-Others	49,646	34,670
Travelling and Conveyance	6,78,805	5,06,473
Postage and Telephones	23,933	20,602
Legal and Professional Fees	28,92,834	5,80,423
Auditors' Remuneration	36,000	87,400
Advertisement	21,500	7,000
Other Selling Expenses	28,306	24,204
Miscellaneous Expenses	7,67,377	17,02,765
Total other expenses	**1,97,68,363**	**1,51,66,809**

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JITF ESIPL CETP (SITARGANJ) LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT
Note no: 25

1. Corporate and General Information

JITF ESIPL CETP (SITARGANJ) LIMITED ("the Company") is domiciled and incorporated on 28th December, 2007 in India. The registered office of the company is situated at A-1, UPSIDC Industrial Area, Nandgaon Road, KosiKalan, District Mathura, 281403 (U.P.) India.

The Company's main object is to carry on the business of designing, implementing, financing, developing, constructing, operating, maintaining and managing of a Common Effluent Treatment Plant in industrial park of Sitarganj with Joint venture with Eldeco Sidcul Industrial Park Ltd.

2. Basis of preparation

The annual financial statements 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 financial statements provide comparative information in respect to the previous year.

The Significant accounting policies used in preparing the financial statements are set out in Note no. 3 of the Notes to the 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. 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,

3.2 Property, Plant and equipment

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. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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
- Plant & Machinery	5 -25
- Temporary Structure	3
- Buildings	40

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.

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Note no: 25

3.3 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.

3.4 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.

3.5 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.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

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.

Investment in equity shares

Investment in Government securities are carried at amortised cost.

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

P. C. Goyal & Co. New Delhi Chartered Accountants 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") .

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.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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.

3.6 Redeemable Preference Shares

Redeemable Preference shares which are redeemable after specified period are shown as borrowing and accounted for as financial liabilities at amortised cost.

3.7 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.

3.8 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.

3.9 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.

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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

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.

3.10 Revenue recognition and other operating income

Sale of services

Revenue from customers from supply of ETP treated water is accounted upon the risk and rewards transferred 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.

Dividend
Dividend income is recognised when the right to receive dividend is established.

3.11 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any

3.12 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.

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3.13 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.

3.14 Current versus non-current classification

The Company presents assets and liabilities in balance sheet based on current/non-current classification.

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.

3.15 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.

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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

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 has 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. Property, plant and equipment also represent a significant proportion of the asset base of the Company. 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) 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.

(c) 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.

(d) 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.

5. 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 finances 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:

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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 comprise two types of risk: interest rate risk and other price risks, such as commodity risk Financial instruments affected by market risk include loans and borrowings. 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.

(a) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt.

With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings.

(Amount in ₹)

Interest rate sensitivity	Increase/Decrease in basis points	Effect on profit before tax
For the year ended March 31, 2018		
INR borrowings	+50	(1,38,670)
	-50	1,38,670)
For the year ended March 31, 2017		
INR borrowings	+50	(1,34,322)
	-50	1,34,322

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(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 Company has also taken advances and security deposits from its customers, which mitigate the credit risk to an extent.

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Note no: 25

The ageing of trade receivable is as below:

(Amount in ₹)

Particulars	Neither due nor impaired	Past Due			Total
		upto 6 months	6 to 12 months	Above 12 months	
Trade Receivables					
As at March 31, 2018					
- Unsecured	-	7,473,183	3,717,249	857,880	12,048,311
- Total	**-**	**7,473,183**	**3,717,249**	**857,880**	**12,048,311**
As at March 31, 2017					
- Unsecured	-	6,108,143	866,503	63,426	7,038,072
- Total	**-**	**6,108,143**	**866,503**	**63,426**	**7,038,072**

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.

(Amount in ₹)

Particulars	As of March 31, 2018					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 years	Total
Interest bearing borrowings	10,17,01,128	2,77,34,007	-	-	7,39,67,121	10,17,01,128
Other liabilities	54,69,853	63,813	26,93,893	-	27,12,147	54,69,853
Trade and other payables	51,09,562	-	51,09,562	-	-	51,09,562
Total	11,22,80,543	2,77,97,820	78,03,455	-	7,66,79,268	11,22,80,543

(Amount in ₹)

Particulars	As of March 31, 2017					
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 years	Total
Interest bearing borrowings	12,66,46,494	2,68,64,494	-	-	9,97,82,000	12,66,46,494
Other liabilities	4,14,31,992	53,182	6,96,758	-	4,06,82,052	4,14,31,992
Trade and other payables	39,95,295	-	39,95,295	-	-	39,95,295
Total	17,20,73,781	2,69,17,676	46,92,053	-	14,04,64,052	17,20,73,781

Interest rate and currency of borrowings

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

(Amount in ₹)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted Average Rate
INR	10,17,01,128	277,34,007	739,67,121	
Total as at March 31, 2018	10,17,01,128	277,34,007	739,67,121	6.25%
INR	12,66,46,494	268,64,494	997,82,000	
Total as at March 31, 2017	12,66,46,494	268,64,494	997,82,000	14.42%

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Capital risk management

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 as under:

(Amount in ₹)

Particulars	As of March 31, 2018	As of March 31, 2017
Loans and borrowings	101,701,128	126,646,494
Less: cash and cash equivalents	3,922,322	4,982,634
Net debt	97,778,806	121,663,860
Equity	38,538,967	(30,128,996)
Total capital	136,317,773	91,534,864
Gearing ratio	72%	133%

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				
Fixed deposits with banks	8,500,000	8,500,000	4,468,621	4,468,621
Cash and bank balances	3,922,322	3,922,322	4,982,634	4,982,634
Investment	25,000	25,000	25,000	25,000
Trade and other receivables	12,048,311	12,048,311	7,038,072	7,038,072
Other financial assets	1,168,786	1,168,786	668,503	668,503
	25,664,419	**25,664,419**	**17,182,830**	**17,182,830**
Financial liabilities designated at amortised cost				
Borrowings- fixed rate	739,67,121	739,67,121	997,82,000	997,82,000
Borrowings- floating rate	277,34,007	277,34,007	268,64,494	268,64,494
Trade & other payables	5,109,562	5,109,562	3,995,295	3,995,295
Other financial liabilities	4,778,070	4,778,070	41,431,992	41,431,992
	112,280,543	**112,280,543**	**172,073,781**	**172,073,781**

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) The fair value of fixed interest bearing loans, borrowings and deposits is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

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4) 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.

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.

- 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

Assets / Liabilities for which fair value is disclosed

During the year ended March 31, 2017 and March 31, 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

(Amount in ₹)

Particulars	As at March 31, 2018		
	Level 1	Level 2	Level 3
Financial liabilities			
Borrowings- fixed rate		739,67,121	
Other financial liabilities		4,778,070	

(Amount in ₹)

Particulars	As at March 31, 2017		
	Level 1	Level 2	Level 3
Financial liabilities			
Borrowings- fixed rate		997,82,000	
Other financial liabilities		41,431,992	

Following table describes the valuation techniques used and key inputs to valuation within level 2 and 3, and quantitative information about significant unobservable inputs for fair value measurements within Level 3 of the fair value hierarchy as of March 31, 2018 and March 31, 2017, respectively:

a) **Assets / 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

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7. Segment information

Information about primary segment

The Company is engaged in one primary business segment for supply of ETP treated water

Information about Geographical Segment – Secondary

The Company's operations are located in India. Hence, there is no geographical segment.

8. Income tax expense

(Amount in Rs.)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Current tax	-	-
Deferred Tax		
-Relating to origination & reversal of temporary differences	(8,55,776)	(39,40,805)
-Relating to Change in tax rate	(5,53,304)	-
Tax (expense)/income attributable to current year's profit	**(14,09,080)**	**(39,40,805)**

Effective Tax Reconciliation:

A reconciliation of the theoretical income tax expense / (benefit) applicable to the profit / (loss) before income tax at the statutory tax rate in India to the income tax expense / (benefit) at the Company's effective tax rate is as follow

(Amount in Rs.)

S.No	Description	For the Year ended March 31, 2018	For the Year ended March 31, 2017
	Net Loss(Income) before taxes	(4,42,62,164)	30,12,893
	Enacted tax rates	27.820%	25.750%
	Computed tax Income (expense)	(1,23,13,734)	7,75,818
	Increase/(reduction) in taxes on account of:		
1	Other non-deductible expenses	4,85,969	(29,12,676)
2	Income not taxable	1,09,71,989	-
3	Effect of change in tax rate	(5,53,304)	(18,03,947)
	Income tax expense reported	**(14,09,080)**	**(39,40,805)**

9. Deferred income tax

The analysis of deferred tax expense is as follows.

Major component of deferred tax provided for in statement of Profit and Loss Account

(Amount in Rs.)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Book base and tax base of Fixed Assets	(2,267,785)	655,470
Brought forward losses set off	858,705	(4,596,275)
Total :	**(1,409,080)**	**(3,940,805)**

10. Other disclosures

Auditors Remuneration

(Amount in ₹)

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Statutory Auditors		
a) Audit Fees	36,000	41,400
b) Tax Audit Fees	-	46,000
Total	**36,000**	**87,400**

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11. Contingent liabilities

(Amount in ₹)

Particulars	As of March 31, 2018	As of March 31, 2017
Guarantees issued by the Company's bankers on behalf of the Company	2,500,000	2,500,000
Total	**2,500,000**	**2,500,000**

12. 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 exits and with whom transactions have taken place during reported periods, are:

Related party name and relationship

1. **Key Managerial Personnel**

S. No.	Name	Particulars
1	Mr. Anuj Kumar	CFO
2	Mr. Sundeep Kumar (till 15.05.2017)	Director
3	Mr. Rajesh Ravishankar Baijal	Director
4	Mr. Anil Kumar Dhanda	Director
5	Mr. Kanika Sharma	Company Secretary
6	Mr. Bharat Bhushan Mehmi	Whole Time Director

2. **Ultimate Parent, Parent Holding, Fellow Subsidiaries and Fellow step down Subsidiaries**

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

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3. **Joint Ventures/ Associates**

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

Related Party Transactions

(Amount in ₹)

Particulars	Holding Company		Associate Company	
	2017-18	2016-17	2017-18	2016-17
Conversion of Loan to Preference Shares				
JITF Water Infrastructure Limited	-	36,310,700	-	-
Purchase of Material				
JITF Water Infrastructure Limited	-	298,365	-	-
Purchase of services				
JITF Water Infrastructure Limited	1,605,170			
Reimbursement of expenses				
JITF Water Infrastructure Limited	4,407	-		
Purchase of Assets				
JITF Water Infra (Naya Raipur) Limited	7,060	-		
Interest on 15% Cumulative Redeemable Preference Shares				
JITF Water Infrastructure Limited	1,542,853	11,311,360	-	-
Interest Expense on unsecured Loan Taken				
JITF Water Infrastructure Limited	2,363,307	5,266,509	-	-
Eldeco SIDCUL Industrial Park Limited			713,930	643,210

Related Party Balances

(Amount in ₹)

Particulars	Holding Company		Associate Company	
	As At 31st March 2018	As At 31st March 2017	As At 31st March 2018	As At 31st March 2017
<u>**Share Capital Including Share Premium**</u>				
Equity Shares				
JITF Water Infrastructure Limited	15,659,040	15,659,040	-	-
4% Cumulative Redeemable Preference Shares				
JITF Water Infrastructure Limited	99,782,000	99,782,000	-	-
Loan Payable				
JITF Water Infrastructure Limited	21,247,499	21,020,523	-	-
Eldeco SIDCUL Industrial Park Limited		-	6,486,508	5,843,971
Interest payable on 15% Redeemable Preference Shares				
JITF Water Infrastructure Limited	2,020,364	40,682,052	-	-
Amount Payable				
JITF Water Infrastructure Limited	1,785,709	298,365	-	-
JITF Water Infra (Naya Raipur) Limited	7,060	-		-

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13. Earnings per share

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

(Number of shares)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Issued equity shares	1,056,801	1,056,801
Weighted average shares outstanding - Basic and Diluted - A	1,056,801	1,056,801

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

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit and loss after tax - B	**428,53,084**	**(69,53,698)**
Basic Earnings per share (B/A)	40. 55	(6.58)
Diluted Earnings per share (B/A)	40.55	(6.58)

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.

14. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

15. Notes 1 to 25 are annexed and form integral part of Financial Statements.

As per our report of even date attached
For **P. C. Goyal & Co**
Chartered Accountants
Firm Registration No. 002368N

P.C. Goyal & Co. New Delhi Chartered Accountants

M.P.Jain
Partner
M.No. 082407
Place : New Delhi
Dated : 24th May,2018

For and on behalf of the Board of Directors of JITF ESIPL CETP (Sitarganj) Limited

Bharat Bhushan Mehmi
Whole Time Director
DIN - 07897323

Rajesh Ravishankar Baijal
Director
DIN - 00325239

Anuj Kumar
CFO

Kanika Sharma
Company Secretary
A50968