



# JINDAL

RAIL INFRASTRUCTURE  
ROLLING INNOVATION

## Notice

The Company Jindal Rail Infrastructure Limited hereby gives notice that 10<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Friday, 22<sup>nd</sup> September, 2017 at 12.00 Noon at A-1, UPSIDC Industrial, Area, Nandgaon Road, Kosi Kalan, Mathura, Uttar Pradesh-281403, to transact the following business:-

### **AS ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31.03.2017 along with the Reports of the Directors and Auditors thereon
2. To appoint a Director in place of Mr. Rajeev Goyal (DIN: 07003755), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint P.C. Goyal & Co., Chartered Accountants, having Registration No. 002368N, as Statutory Auditors of the Company in place of retiring auditors, who has completed its terms as per section 139 of the companies Act, 2013, to hold office from the conclusion of this 10<sup>th</sup> Annual General Meeting until the conclusion of the 15<sup>th</sup> Annual General Meeting and to authorize the Board to fix their remuneration.

### **AS SPECIAL BUSINESS:**

#### **4. Ratification of Remuneration of Cost Auditors.**

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus other applicable taxes and reimbursement of actual travel and out of pocket expenses, to be paid to M/s Brijesh Maheshkumar Mehta & Co, Cost Accountants, (FRN 101985), Cost Auditors of the Company, for the financial year 2017-18, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

#### **5. To approve the appointment of Mr. Pawan Kumar Agrawal as Whole Time Director of the company**

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RSEOLVED THAT** pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the Members of the company be and is hereby accorded to the appointment of Mr. Pawan Kumar Agrawal (DIN No. 07897337 ) as a Whole



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Time Director of the company for the period of Five years from 04<sup>th</sup> August, 2017 on the terms and conditions as set out in Explanatory Statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the currency of tenure of the appointment, the Whole Time Director shall be paid salary, perquisites and other allowances as set out in Explanatory Statement, as the minimum remuneration, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time and subject to the approval of the Central Government, if so required, in accordance with the provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and are hereby authorised to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

Place: New Delhi

Dated: 04.08.2017

**BY ORDER OF THE BOARD  
FOR JINDAL RAIL INFRASTRUCTURE LIMITED**

Regd. Office:

A-1, UPSIDC Industrial Area,

Nandgaon Road, Kosi Kalan,

Mathura, Uttar Pradesh-281403

CIN No.: U45400UP2007PLC070235

Email Id:

info.jindalrail@jindalrail.com

.....  
**ARUN KUMAR KHOSLA**  
**WHOLE-TIME DIRECTOR**  
**(DIN No. 00038033)**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID & EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ABOVE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. For the convenience of members the route map of the venue of the meeting is depicted at the end of the Notice.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under Secretarial Standard- SS2 is given hereunder forming part of the Annual Report.

5. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

### EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

#### Item No. 4

The Board of Directors has approved the appointment and remuneration of M/s Brijesh Maheshkumar Mehta & Co., Cost Accountants as Cost Auditors of the company to conduct the audit of the cost records of the Company for the financial year 2017-18.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. Hence, the consent of shareholders is being sought for passing the Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2017-18.

None of the Directors, Key Managerial Personnel of the Company are in any way concerned or interested, financially or otherwise in the Ordinary resolution.

The above proposal is in the interest of the Company and the Directors recommend the Resolutions at Item No. 4 of the Notice for approval by the shareholders as Ordinary Resolution.

#### Item No. 5

The Board of Directors at its meeting held on 04<sup>th</sup> August, 2017 appointed Mr. Pawan Kumar Agrawal as Whole Time Director of the company with effect from 04<sup>th</sup> August, 2017 for a period of Five years subject to approval of the shareholders. The main terms and conditions of appointment of Mr. Pawan Kumar Agrawal as Whole Time Director are furnished below:

1. Term of Appointment – Five years with effect from 04<sup>th</sup> August, 2017
2. Remuneration:

Particulars	Amount (Rs.)
<b>Basic Pay</b>	125,708
HRA (50% of Basic Pay)	62,854
Responsibility Allowance	18,000
Prof. Pursuit	750
CEA	200
Personal Pay	35,885
<b>STATUTORY</b>	
PF (12% of Basic Pay)	15,085
<b>ANNUAL</b>	
Bonus (20% of Basic Pay)	25,142
LTA	10,471
<b>REIMBURSEMENT</b>	
Reimbursement in lieu of Car, Petrol & Maintenance#	58,627
Driver Allowance#	16,000
Medical	1,250
<b>Gross Per Month</b>	<b>369,972</b>
<b>Gross Per Annum</b>	<b>4,439,665</b>



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3. He will be covered under Group Personal Accident Insurance, Mediclaim Policy, & Group Term Life Insurance as per Company Norms.
4. He will be covered under Gratuity as per Payment of Gratuity Act, 1972.
5. He will also be entitled for company owned car and driver as per the Company Policy.
6. Other Terms & Conditions:
  - The Whole Time Director, subject to the superintendence, control and direction of the Board of Directors of the Company, shall conduct and manage the business and affairs of the Company.
  - The Whole Time Director shall also exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine and shall also do and perform all other acts and things which in the ordinary course of business may be considered necessary or proper in the interest of the Company.

The Board therefore recommends the resolution for shareholders approval.

Except Mr. Pawan Kumar Agrawal (the appointee), none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in this Resolution.

**Place: New Delhi**  
**Dated: 04.08.2017**

**BY ORDER OF THE BOARD**  
**FOR JINDAL RAIL INFRASTRUCTURE LIMITED**

**Regd. Office:**  
**A-1, UPSIDC Industrial Area,**  
**Nandgaon Road, Kosi Kalan,**  
**Mathura, Uttar Pradesh-281403**  
**CIN No.: U45400UP2007PLC070235**  
**Email Id:**  
**info.jindalrail@jindalrail.com**

  
.....  
**ARUN KUMAR KHOSLA**  
**WHOLE-TIME DIRECTOR**  
**(DIN No. 00038033)**

**Annexure A****Details of Director seeking appointment/ re-appointment at the Annual General Meeting to be held on 22<sup>nd</sup> September, 2017.**

<b>Name of the Director</b>	Mr. Rajeev Goyal
<b>Date of Birth</b>	20.12.1973
<b>Date of Appointment</b>	03.09.2016
<b>Expertise in Specific functional area</b>	Finance, Sales and wide management experience
<b>Qualification</b>	Mr. Rajeev Goyal is a Chartered Accountant and Senior General Manager of Jindal Saw Limited. Mr. Rajeev Goyal was appointed as Director of various group companies of JITF Infralogistics Limited.
<b>Directorships in other Companies as on March 31, 2017</b>	a) Jindal Tubular (India) Limited b) Jindal Quality Tubular Limited c) Groovy Trading Private Limited d) Jindal ITF Limited e) Glebe Trading Private Limited f) JITF Urban Infrastructure Services Limited g) JITF Water Infrastructure Limited h) JITF Urban Infrastructure Limited i) Halos Creations Private Limited
<b>Number of Shares held in the Company as on March 31, 2017</b>	Nil
<b>Relationship with Directors and Key Managerial Personnel</b>	None
<b>Chairman/ Membership of Committees in other Indian Public Limited Companies as on March 31, 2017</b> [C=Chairman; M=Member]	2 (C)
<b>Remuneration</b>	Nil

# JINDAL RAIL INFRASTRUCTURE LIMITED

## Form No. MGT-11

### Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN:** - U45400UP2007PLC070235

**Name of the Company:-** JITF Rail Infrastructure Limited

**Registered Office:-** A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura, Uttar Pradesh-281403.

Name of the members.....

Folio No. / Client ID.....

Registered Address.....

D.P. ID.....

E-mail Id.....

I/We being the member[s] of .....shares of the above named company. Hereby appoint

Name.....

E-mail Id.....

Address.....

Signature.....

Or failing him

Name.....

E-mail Id.....

Address.....

Signature.....

Or failing him

Name.....

E-mail Id.....

Address.....

Signature.....

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 10th Annual General Meeting of the company, to be held on the Friday, 22<sup>nd</sup> September, 2017 at 12.00 Noon at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura, Uttar Pradesh-281403 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolution[S]	Vote	
		For	Against
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31.03.2017 along with the Reports of the Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Rajeev Goyal (DIN: 07003755), who retires by rotation and being eligible, offers himself for re-appointment.		

S.No.	Resolution[S]	Vote	
		For	Against
3.	To appoint P.C. Goyal & Co., Chartered Accountants, having Firm Registration No. 002368N, as Statutory Auditors of the Company in place of retiring auditors, who has completed its terms as per section 139 of the companies Act, 2013, to hold office from the conclusion of this 10 <sup>th</sup> Annual General Meeting until the conclusion of the 15 <sup>th</sup> Annual General Meeting and to authorize the Board to fix their remuneration.		
4.	Ratification of Remuneration of Cost Auditors		
5	To approve the appointment of Mr. Pawan Kumar Agrawal as Whole Time Director of the company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

Affix revenue stamp of not less than Rs. 1/-

.....  
Signature of Shareholder

.....  
Signature of Proxy Holder

.....  
Signature of Shareholder  
across Revenue Stamp

**Notes:-**

1. This form, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.
2. The Proxy need not to be a member of the company.
3. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any all the resolutions , your proxy will be entitled to vote in the manner as he/she thinks appropriate.

# JINDAL RAIL INFRASTRUCTURE LIMITED

## ATTENDANCE SLIP

CIN: U45400UP2007PLC070235

**Registered Office:** A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan,  
Distt. Mathura, [U.P.] - 281403

**PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTRANCE**

Joint shareholders may obtain additional Slip at the venue of the meeting

D.P. ID.....

Folio No. ....

Client ID\*.....

No. of Shares .....

Name of the Shareholder: .....

Address: .....

.....

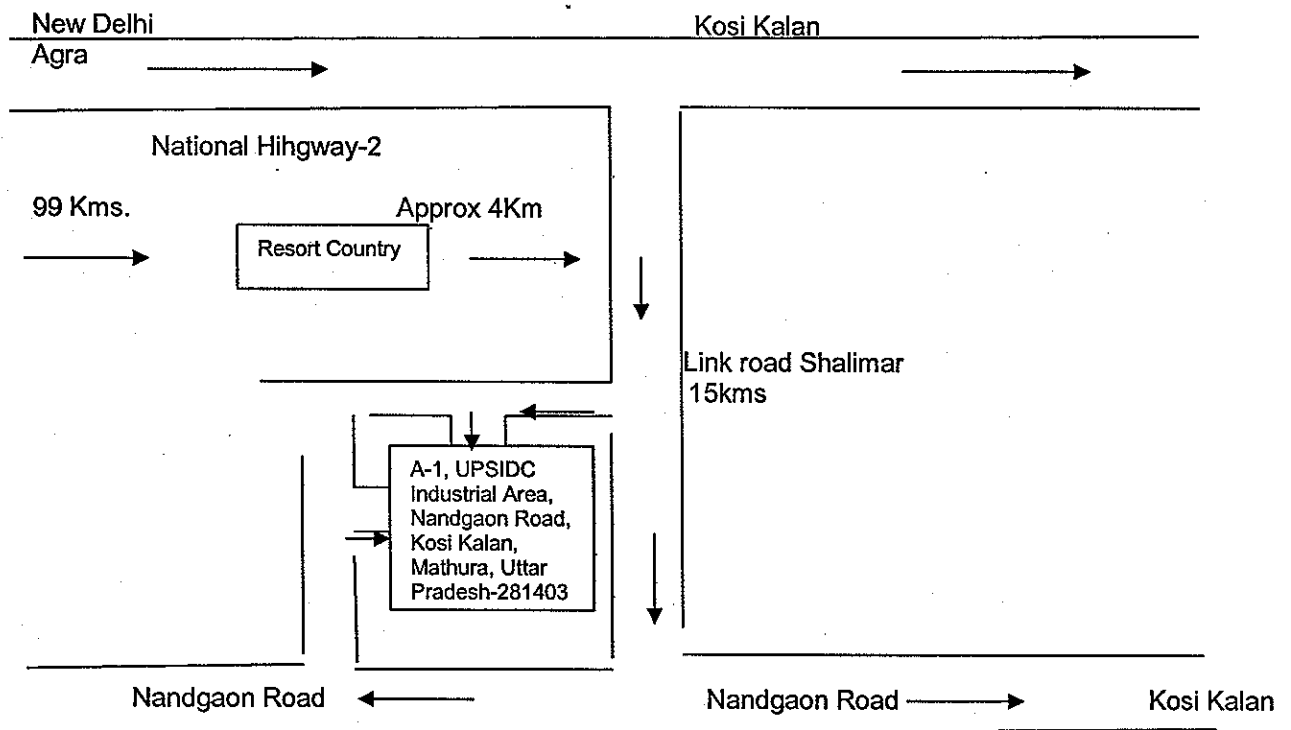
I/We hereby record my /our presence at the 10th Annual General Meeting of the Company at A-1, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura, [U.P.]-281403 on Friday, 22nd September, 2017 at 12.00 Noon.

\*Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
Signature of Shareholder/proxy



### Route map to the venue of the meeting



## **JINDAL RAIL INFRASTRUCTURE LIMITED**

### **BOARD'S REPORT**

To

The Members,

Your Directors have pleasure in presenting the 10<sup>th</sup> Annual Report of the Company on the affairs of the company for the financial Year ended on 31<sup>st</sup> March, 2017.

### **FINANCIAL RESULTS**

(in Rs.)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Gross Revenue from operations	1,581,294,151	1,865,030,634
Profit/ Loss before finance cost, depreciation, exceptional items and tax	(264870361.21)	(264870361.21)
Less:		
Finance cost	388,608,617	305,730,252
Depreciation and amortization expense	95,849,193	71,627,139
Profit/ Loss before tax	(749,328,171)	(466,370,989)
Tax expense	(242,072,930)	(146,800,602)
Profit /Loss after tax	(507,255,241)	(319,570,387)
Other Comprehensive Income		
Items that will not be reclassified to profit and loss	4,001,410	(62,216)
Total Comprehensive Income for the year	(503,253,831)	(319,632,603)

### **REVIEW OF OPERATIONS**

Your Company has set up a state-of-art facility, comparable to the best available internationally, for manufacture of Railway Freight Wagons and heavy engineering components at Karjan in Vadodara District of Gujarat. The Plant has a capacity to manufacture 3000 wagons per annum. The manufacturing facilities & infrastructure at the plant include robotic welding systems & a large number of NC/CNC metal cutting and metal forming machines.

Your Company has an excellent team of qualified technicians, engineers and managers with extensive experience in heavy engineering and fabrication industry. Our thrust areas are Safety, Quality and Constant Improvement. Your Company has been awarded certification to G-105 Standard by Ministry of Railways for Open, Covered and Flat Wagons. Your Company is also accredited with ISO 9001:2008, ISO 14001:2004 and BS OHSAS 18001:2007 certifications. Recently, Company has been approved by DLW, ICF & BEML for medium to heavy fabrication work.

Ministry of Railways had awarded an order for 1654 BOXNHL wagons on JRIL in June 2015. Later, in April 2016, IR has exercised the option wagons clause and increased order quantity by 496 BOXNHL wagons. Manufacture & supply of 1654 BOXNHL wagons has since been completed in Oct. 2016. The "Option Quantity Clause" order for 496 BOXNHL wagons has been completed in March, 2017.

JRIL had participated in the IR Wagon Tender opened in Jan. 2016 and has against the Tender received an order for manufacture and supply of 292 BOXNL wagons. This order has been completed in June, 2017. JRIL had received an order for supply of 94 BFNS wagons and 2 BVZI wagons from JSW in July 2016. First rake of 43 BFNS wagons and 1 BVZI wagon have been supplied in April, 2017 and the second rake is planned for dispatch by 14th of August, 2017. JRIL had received an order for supply of 45 BFNS wagons and 1 BVZI wagon from GATX in November 2016. Manufacturing has been completed by the end of May, 2017.

## **SHARE CAPITAL**

During the period under review, your Company has not allotted any shares, so there is no change in paid up share capital.

## **DIVIDEND**

Your Company has not recommended any Dividend for the financial year under review.

## **TRANSFER TO RESERVES**

No amount has been transferred to General Reserve during the year.

## **PUBLIC DEPOSITS**

During the year ended March 31, 2017, the Company has not accepted any public deposits and no amount on account of principal or interest on public deposits was outstanding as on 31st March, 2017.

## **EXTRACT OF THE ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith as **Annexure - 1** to this Report.

## **DIRECTORS & KEY MANAGERIAL PERSONNEL**

### **I RETIREMENT BY ROTATION**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Rajeev Goyal, Non Executive Director (DIN: 07003755) of the company, retire by rotation and, being eligible, offers himself for re-appointment. The brief details relating to, Mr. Rajeev Goyal is furnished in the explanatory statement to the notice of the ensuing AGM under the head "Directors Seeking Appointment / Re-appointment at this Annual General Meeting".

### **II RESIGNATION OF INDEPENDENT DIRECTORS**

As per the Notification issued by the Ministry of Corporate Affairs on 5<sup>th</sup> July, 2017, the following classes of unlisted public company is not required to appoint the independent directors on their Boards as stipulated under the amended Rule 4 of Companies (Appointment of Directors) Rules, 2014

- (a) a joint venture;
- (b) a wholly owned subsidiary; and
- (c) a dormant company as defined under section 455 of the Act.

The Company being the Wholly-owned subsidiary of JITF Urban Infrastructure Services Limited is no longer required to have Independent Directors on the Board.

However, your Company being a material subsidiary of JITF Infralogistics Limited, Mr. Dhananjaya Pati Tripathi will remain as Independent Director on the Board of the Company to represent JITF Infralogistics Limited. Mr. Subodh Kumar Jain, Independent Director of the Company has resigned from the directorship of the Company w.e.f. 04<sup>th</sup> August, 2017.

### **III STATEMENT OF DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors namely, Shri. Dhananjaya Pati Tripathi (DIN: 00131460) and Shri. Subodh Kumar Jain (DIN: '07085318), that they are eligible for appointment and that they meet the criteria for independence as provided in Section 149(6) of the Act.

## **STATUTORY AUDITORS**

The shareholders in their 08<sup>th</sup> Annual General Meeting had appointed M/s. N.C. Aggarwal & Co., Chartered Accountants, (ICAI Firm Registration No. 003273N) as Statutory Auditors of the Company till the conclusion of the ensuing AGM. M/s N.C. Aggarwal & Co, have completed their maximum permissible tenure as the Auditors of the company as per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014. After evaluation of the various leading auditing firms, the Board of Directors has identified and recommended the appointment of M/s P.C. Goyal & Co, Chartered Accountants, as the Statutory Auditor of the Company for a term of 5 years (subject to ratification by members at every Annual General Meeting), to hold office from the conclusion of the 10<sup>th</sup> Annual General Meeting until the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company..

M/s P.C. Goyal & Co, Chartered Accountants have consented to the said appointment, and confirmed that their appointment, if made, would be within limits mentioned under Section 141(3)(g) of the Companies Act, 2013 and the Companies (Audit & Auditors) Rule, 2014

The Board of Directors recommends the appointment of M/s P.C. Goyal & Co, Chartered Accountants as Statutory Auditors of the company from the conclusion of 10<sup>th</sup> Annual General Meeting till the conclusion of 15<sup>th</sup> Annual General Meeting of the company, subject to ratification of their appointment by the Members of the Company at every Annual General Meeting.

Auditors' remarks in their report read with the notes to accounts referred to by them are self-explanatory. There have been no fraud reported by the Statutory Auditors of the Company.

## **COST AUDIT**

The Cost Audit of your company for the year 2015-16 was conducted by M/s Kishore Bhatia & Associates, Cost Accountants and the cost audit report was approved by the Board of Directors in their Board Meeting held on 03<sup>rd</sup> September, 2016. The Cost Audit Report did not contain any adverse observation/comment or qualification from the Cost Auditor. The above report was filed in XBRL mode with MCA on 05<sup>th</sup> September, 2016 vide SRN No. G10644698.

M/s Brijesh Maheshkumar Mehta & Co was appointed as Cost Auditor to audit the cost accounts of the Company for the year ending 31<sup>st</sup> March, 2018. E form CRA – 2 has been filed with MCA portal vide SRN G50082437 dated 09<sup>th</sup> August, 2017.

## **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to Director's Responsibility Statement, it is hereby confirmed by the Board of Directors:

- (i) that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2017, the Indian Accounting standards (IND AS) has been followed along with proper explanation relating to material departures;
- (ii) that they had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that they had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2017 on a going concern basis; and

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

### **NUMBER OF BOARD MEETINGS**

The Board of Directors duly met Four times during the financial year 2016-17, the details of which are as follows:-

S.NO	Date of Meetings	Director's present
1.	24 <sup>th</sup> May, 2016	1. Mr. Arun Kumar Khosla 2. Ms. Sminu Jindal 3. Mr. Dhananjaya Pati Tripathi 4. Mr. Subodh Kumar Jain 5. Mr. Amit Bajpai
2.	03 <sup>rd</sup> September, 2016	1. Mr. Arun Kumar Khosla 2. Mr. Dhananjaya Pati Tripathi 3. Mr. Subodh Kumar Jain
3.	16 <sup>th</sup> December, 2016	1. Mr. Arun Kumar Khosla 2. Ms. Sminu Jindal 3. Mr. Dhananjaya Pati Tripathi 4. Mr. Subodh Kumar Jain 5. Mr. Rajeev Goyal
4.	09 <sup>th</sup> March, 2017	1. Mr. Arun Kumar Khosla 2. Mr. Rajeev Goyal 3. Mr. Dhananjaya Pati Tripathi 4. Mr. Subodh Kumar Jain

The attendance of each of the Directors during the year is as follows:-

S.No.	Name of Directors	No. of Board Meetings attended
1.	Mr. Arun Kumar Khosla	4
2.	Ms. Sminu Jindal	2
3.	Mr. Dhananjaya Pati Tripathi	4
4.	Mr. Subodh Kumar Jain	4
5.	Mr. Amit Bajpai	1
6.	Mr. Rajeev Goyal	2

There were no resolutions that were passed by circulation during the financial year 2016 -17.

### **AUDIT COMMITTEE**

During the year, the Audit Committee was re-constituted comprising of 2 (Two) Independent Directors and 1 (One) Executive Director as its members. The Members possess adequate knowledge of Accounts, Audit, Finance, etc. The Composition of the Audit Committee is in conformity with the requirements of the Companies Act, 2013.

During the year ended 31<sup>st</sup> March, 2017, the Committee met (twice) 2 times on 24<sup>th</sup> May, 2016 and 03<sup>rd</sup> September, 2016. The composition and attendance of the members in the meetings are as follows:

Name of Member	Position	Category	No. of Meetings	
			Held	Attended
1. Mr. Arun Kumar Khosla	Chairman	Executive Director	2	2
2. Mr. Subodh Kumar Jain	Member	Independent Director	2	2
3. Mr. Dhananjaya Pat Tripathi	Member	Independent Director	2	2

The Audit Committee deals with the various aspects of financial statements including annual results, adequacy of internal controls & internal audit functions, compliance with Indian Accounting Standards (IND AS) and Company's financial & risk management policies etc. It reports to the Board of Directors about its findings & recommendations pertaining to above matters. The minutes of the Audit Committee are taken note by the Board of Directors.

### **NOMINATION AND REMUNERATION COMMITTEE**

During the year, the Nomination and Remuneration Committee was re-constituted comprising of 2 (Two) Independent Directors and 1 (One) Executive Director as its members. The Chairman of Committee is an Executive Director, Mr. Arun Kumar Khosla and other members of the Committee are Mr. Dhananjaya Pati Tripathi and Mr. Subodh Kumar Jain. The Composition of Nomination and Remuneration Committee are in conformity with the requirements of Companies Act, 2013.

### **PERFORMANCE EVALUATION**

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Executive and Non-Executive Directors was carried out by the Independent Directors. The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony.

The Board acknowledges its intention to establish and follow best practices in Board Governance in order to fulfill its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among the Board members, greater efficiency in the use of the Board's time and increased effectiveness of the Board as a governing body.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The Directors expressed their satisfaction with the evaluation process.

### **DISSOLUTION OF THE AUDIT COMMITTEE AND NOMINATION & REMUNERATION COMMITTEE OF THE BOARD.**

As per the Notification issued by the Ministry of Corporate Affairs on 13th July, 2017, the Board of Directors of every Listed company and a company covered under Rule 4 of the Companies (Appointment & Qualification) Rules, 2014 shall constitute an Audit Committee and Nomination & Remuneration committee of the Board.

As your company is not covered under Rule 4 of the Companies (Appointment & Qualification) Rules, 2014, it is not required to constitute the Audit Committee & Nomination & Remuneration Committee of the Board.

Therefore, the existing Audit Committee and Nomination & Remuneration Committee of the Board shall stand dissolved.

### **VIGIL MECHANISM**

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the

Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

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

### **CONTRACTS & ARRANGEMENT WITH RELATED PARTIES**

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013. There were no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

Your Directors draw attention of the members to Point 13 of Note No. 25 to the financial statement which sets out related party disclosures.

### **ANY SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the Financial Year, there are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

### **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

### **GOODS AND SERVICES TAX (GST)**

The introduction of Goods and Services Tax (GST) is a very significant step in the field of indirect tax reforms in India. By amalgamating a large number of Central and State taxes into a single tax, it would mitigate cascading or double taxation in a major way and pave the way for a common national market.

The transition to GST scenario is a major change process and the Company has established a dedicated team to evaluate the impact analysis and carry out changes to the business process & IT systems as per the GST framework.

### **PARTICULARS OF EMPLOYEES**

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Company has adopted a policy for prevention of sexual Harassment of Women at workplace and has formed a committee for implementation of said policy. No complaint of harassment was received during the year.

No sexual harassment complaint was received during the year 2016-17.

**RISK MANAGEMENT**

The Company's robust risk management framework identifies and evaluates business risks and opportunities. The Company recognizes that these risks need to be managed and mitigated to protect its shareholders and other stakeholders interest, to achieve its business objectives and enable sustainable growth. The risk frame work is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risks and future action plans.

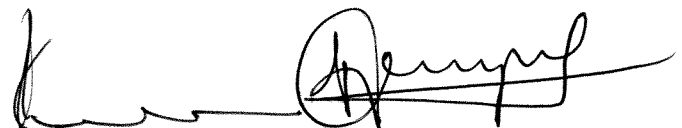
**PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.**

As required under Section 134(3)(m) of the Companies Act, 2013, read with Clause 8(3) of The Companies (Accounts) Rule, 2014, information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo is enclosed as **Annexure – 2** to this report.

**ACKNOWLEDGEMENT**

Your Directors express their grateful appreciation to concerned Departments of Central / State Governments, Financial Institutions & Bankers, Customers and Vendors for their continued assistance and co-operation. The Directors also wish to place on record their deep sense of appreciation for the committed services of the employees at all levels. We are also grateful for the confidence and faith that you have reposed in the Company as its member.

On behalf of the Board  
For Jindal Rail Infrastructure Limited



.....  
Arun Kumar Khosla  
Whole-Time Director  
(DIN No: 00038033)

.....  
Rajeev Goyal  
Director  
(DIN No:07003755)

Place: New Delhi  
Dated: 04.08.2017



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 2016-17**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

<b>I</b>	<b>CIN</b>	U45400UP2007PLC070235
<b>II</b>	<b>Registration Date</b>	25.05.2007
<b>III</b>	<b>Name of the Company</b>	Jindal Rail Infrastructure Limited
<b>IV</b>	<b>Category / Sub-Category of the Company</b>	Company having Share Capital
<b>V</b>	<b>Address of the Registered office and contact details</b>	A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Distt. Mathura, Uttar Pradesh – 281403. Email id: <a href="mailto:info.jindalrail@jindalrail.com">info.jindalrail@jindalrail.com</a> Contact No. 011-66463983/84
<b>VI</b>	<b>Whether listed company Yes / No</b>	No
<b>VII</b>	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Alankit Assignments Limited, 2E/21, Jhandewalan Extn., New Delhi-110055. Contact No. 011-42541234

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacture of railway locomotives and rolling stock	3020	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. No.	Name of The company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1	JITF Urban Infrastructure Services Limited	A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura, Uttar Pradesh-281403	U40300UP2010PLC069354	Holding Company	100%	2(46)

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

[illegible]

<b>2. Non-Institutions</b>									
a) Bodies Corp.	--	--	--	--	--	--	--	--	--
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1	--	--	--	--	--	--	--	--	--
ii) Individual shareholders holding nominal share capital in excess of	--	--	--	--	--	--	--	--	--
c) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(2):-</b>	--	--	--	--	--	--	--	--	--
<b>Total Public Shareholding (B)=(B)(1)+ B(2)</b>	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>30594103</b>	<b>400</b>	<b>30594503</b>	<b>99.99%</b>	<b>30594103</b>	<b>400</b>	<b>30594503</b>	<b>99.99%</b>	--

**(ii) Shareholding of Promoters**

S.No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year				
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year	
1.	Mr. Prithvi Raj Jindal*	100	0.0003%	15603197	100	0.0003%	15603197		Nil
2.	Mr. Indresh Batra*	100	0.0003%		100	0.0003%			
3.	Ms. Sminu Jindal*	100	0.0003%		100	0.0003%			
4.	Mr. Sunil Kumar Jain*	100	0.0003%		100	0.0003%			
5.	M/s Renuka Financial Services Ltd*	100	0.0003%		100	0.0003%			
6.	M/s Manjula Finances Ltd*	100	0.0003%		100	0.0003%			
7.	M/s Goswamis Credits & Investment Ltd.*	100	0.0003%		100	0.0003%			
8.	M/s. JITF Urban Infrastructure Services Limited	30593803	99.999%		30593803	99.999%			Ni
	<b>Total</b>	<b>30594503</b>	<b>100%</b>	<b>15603197</b>	<b>30594503</b>	<b>100%</b>	<b>15603197</b>		Ni

\* holding shares as nominees of JITF Urban Infrastructure Services Limited



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

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease(e.g. allotment/ transfer/ bonus/sweat equity etc):	There was no change in shareholding pattern of promoter for the period ended on 31 <sup>st</sup> March 2017.			
	At The End Of The Year				

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
	At the beginning of the year				
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease(e.g. allotment/ transfer/ bonus/sweat equity etc)				
	At the End of the year ( or on the date of separation, if separated during the year)				

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No	Particulars	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Directors and KMP</b>					
1.	At the beginning of the year	<b>Sminu Jindal</b>	--	--	--	--
	Change during the Year		--	--	--	--
	At the End of the year		--	--	--	--
2.	At the beginning of the year	<b>Arun Kumar Khosla</b>	--	--	--	--
	Change during the Year		--	--	--	--
	At the End of the year		--	--	--	--
3.	At the beginning of the year	<b>D. P.Tripathi</b>	--	--	--	--
	Change during the Year		--	--	--	--
	At the End of the year		--	--	--	--
4.	At the beginning of the year	<b>Rajeev Goyal</b>	--	--	--	--
	Change during the Year		--	--	--	--
	At the End of the year		--	--	--	--

5.	At the beginning of the year	Subodh Kumar Jain	--	--	--	--
	Change during the Year		--	--	--	--
	At the End of the year		--	--	--	--
6.	At the beginning of the year	AjayaKumar Biswal	--	--	--	--
	Change during the Year		--	--	--	--
	At the End of the year		--	--	--	--

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(in Rs.)

Particular	Secured Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,942,008,705	229,172,814	-	2,171,181,519
ii) Interest due but not paid	-	45,400,282	-	45,400,282
iii) Interest accrued but not due (Gross)	--	--	-	--
<b>Total (i+ii+iii)</b>	<b>1,942,008,705</b>	<b>274,573,096</b>	<b>-</b>	<b>2,216,581,801</b>
Change in Indebtedness during the financial year				
Addition/(Reduction) in Principal Amount	(256,260,140)	1,244,450,281		988,190,141
<b>Net Change</b>	<b>(256,260,140)</b>	<b>1,244,450,281</b>	<b>-</b>	<b>988,190,141</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1,685,748,565	1,473,623,095	-	3,159,371,660
ii) Interest due but not paid	-		-	135,981,814
iii) Interest accrued but not due (Gross)	-		-	-
<b>Total (i+ii+iii)</b>	<b>1,685,748,565</b>	<b>1,609,604,909</b>	<b>-</b>	<b>3,295,353,474</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in Rs.)

S. No	Particulars of Remuneration	Name of MD/WTD/ Manager	Total amount
		<b>Arun Kumar Khosla(WTD)*</b>	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	67,96,054	67,96,054
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	52,700	52,700
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock option	-	-
3.	Sweat equity	-	-
4.	Commission	-	-
5.	Others, please specify	-	-
	<b>Total (A)</b>	<b>68,48,754</b>	<b>68,48,754</b>
	Ceiling as per the Act		

**B. Remuneration to other directors:**

(in Rs.)

S. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Dhananjaya Pati Tripathi	Subodh Kumar Jain	
	1. Independent Directors			
	• Fee for attending board Meeting	60,000	60,000	1,20,000
	• Fees for attending Committee meetings	20,000	20,000	40,000
	• Commission	-	-	-
	• Others, please specify	-	-	-
	<b>Total (1)</b>	<b>80,000</b>	<b>80,000</b>	<b>Rs 1,60,000</b>
	2. Executive Directors	--	--	--
	• Fee for attending board Meeting			
	• Fees for attending Committee meetings			
	• Commission			
	• Others, please specify			
	<b>Total (2)</b>	<b>--</b>	<b>--</b>	<b>--</b>
	<b>Total (B)=(1+2)</b>	<b>80,000</b>	<b>80,000</b>	<b>Rs 1,60,000</b>
	<b>Total Managerial Remuneration</b>	<b>--</b>	<b>--</b>	<b>--</b>
	<b>Overall Ceiling as per the Act</b>	<b>--</b>	<b>--</b>	<b>--</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(in Rs.)

S.NO	Particulars of Remuneration	Key Managerial Personnel	
		Ajaya Kumar Biswal (CFO)	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,87,422	10,87,422
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,150	28,150
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	--	--
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission		
	- as % of profit	--	--
	- others, specify...		
5.	Others, please Specify	--	--
	<b>TOTAL</b>	<b>1115,572</b>	<b>11,15,572</b>

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

There were no penalties/ punishment/ Compounding of offences for the year ending 2016-17.

## **Annexure - 2**

### **Particulars of Energy conservation, Technology absorption and Foreign Exchange Earnings and outgo required under the Companies (Accounts) Rules, 2014**

#### **I. Conservation of Energy**

##### **(A) Steps taken on conservation of Energy**

I. Rebate in power by improving power factor - Rs.52,494.00

(B) No additional investments have been made to achieve reduction in energy consumption.

(C) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The impact of measures taken at point (a) and (b) has resulted in reduced energy consumption amounting to Rs.0.52 lakh during the year.

(D) Total energy consumption and energy consumption per unit of production as per Form A provided in the Attachment in respect of industries specified in the Schedule thereto:

<b>A. Power and fuel consumption</b>			
		<b>Current year</b>	<b>Previous Year</b>
1	Electricity		
	Purchased Unit kWh	16,04,038	20,02,296
	Total Amount	Rs 1,19,91,548	Rs.1,39,04,815
	Rate/ kWh	Rs 7.48	Rs. 6.94
	Own Generation		
	Through Diesel Generator		
	Units kWh	10720	6096
	Units per Litre of fuel oil/gas	2.58	2.70
	Cost/Unit	20.94	21.46
	Rate/unit		
<b>B. Consumption per unit of production</b>			
	Products (With details)	1275 BOXNHL, 39 BFNS, 2 BVZI	1025 BOXNHL, 101 BCNHL, 20 BRNA, 90 BLC, 14 BVZI
	Electricity kWh	1269428	1476496
	Per Unit kWh	965	1181

#### **II. Technology Absorption**

##### **A. Research and development (R & D):**

1. **Specific areas in which R & D carried out by the company:** The Company has developed BLC and BRNA EUR wagons for special commodity services for DLI and JSPL respectively and developed wagons for carrying 285 mtr long continuous rail for the first time in wagon industry. We have also developed BFNS 22.9 wagons for carrying steel coils with international standards for GATX



2. **Benefits derived as a result of the above R&D:** Product diversification in coil carrying wagons with varying coil diameters. New market is open for us for the supply of BRNA- EUR rakes, BFNS 22.9, BFNS M wagon and BVZI wagons

3. **Future plan of action:** The Company plans to continue development of new products and explore the areas of product diversification.

4. **Expenditure incurred on Research and Development:**

(a) Capital	BFNS 22.9 Rs 22,25,000/-
(b) Recurring	Nil
(c) Total	Rs. 66,75,000/-
(d) Total R & D expenditure as a percentage of total turnover:	0.5%

**III. Technology, absorption, adaptation and innovation**

1. **Efforts, in brief, made towards technology absorption, adaptation and innovation-** Capabilities developed for coil carrying wagon.

2. **Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.** - Expansion for new product lines and capabilities for fabrication of heavier product line in wagons.

**II. Foreign Exchange Earnings and Outgo**

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services:

Continuous efforts are being made to increase exports and to develop new export markets.

b) **Foreign Exchange Realisations and Outgo:**

Particulars	(in Rs.)
	Year ended 31 <sup>st</sup> March, 2017
Realisations	-
Outgo	13,02,89,169
<b>Total</b>	<b>13,02,89,169</b>



# **N.C. AGGARWAL & CO.**

**CHARTERED ACCOUNTANTS**

102, Harsha house, Karampura Commercial Complex,  
New Delhi-110 015. Ph: (O) 25920555-556 (R) 25221561

E-Mail: [nc.aggarwal@gmail.com](mailto:nc.aggarwal@gmail.com), [nc.a@rediffmail.com](mailto:nc.a@rediffmail.com)

## **INDEPENDENT AUDITORS' REPORT**

**To**

**The Members of JINDAL RAIL INFRASTRUCTURE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **JINDAL RAIL INFRASTRUCTURE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, 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**

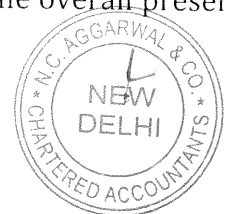
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in 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 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017;



- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- 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.
- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company (refer note no. 16 of notes to accounts).

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



G. K. Aggarwal  
Partner  
Membership No. 086622



Date: 23<sup>rd</sup> May, 2017  
Place: New Delhi

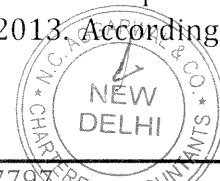
**ANNEXURE-1 TO INDEPENDENT AUDITORS' REPORT**

(Annexure referred to in our report of even date to the members of **JINDAL RAIL INFRASTRUCTURE LIMITED** on the accounts for the year ended 31<sup>st</sup> March, 2017)

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) According to the information and explanations given to us, the title deeds of immovable properties, are held in the name of the Company.
2. As explained to us, the management during the year has physically verified inventories. In our opinion, the frequency of verification is reasonable. The discrepancies noticed during physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
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. We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Company Act 2013 in respect of the company's products and are of the opinion that, prime facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate or complete.



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 31<sup>st</sup> March, 2017 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, sales-tax, wealth tax, service tax, duty of customs, duty of excise and value added tax wherever applicable to the company which have not been deposited with the appropriate authorities on account of any dispute.
8. In our opinion, on the basis of books and records examined by us and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks and financial institutions. The company does not have any dues to government or debenture holders.
9. The Company has not raised any money by way of initial public offer or further public offer or debt instruments. In our opinion, and according to the information and explanation given to us, the term loans have been applied for the purposes for which they were raised, other than temporary deployment pending allocation.
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. In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
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.



**N.C. AGGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

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



G. K. Aggarwal  
Partner  
Membership No. 086622  
Date: 23<sup>rd</sup> May, 2017  
Place: New Delhi



**ANNEXURE-2 TO INDEPENDENT AUDITORS' REPORT**

**Annexure referred to in our report of even date to the members of JINDAL RAIL INFRASTRUCTURE LIMITED on the accounts for the year ended 31<sup>st</sup> March, 2017**

**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 JINDAL RAIL INFRASTRUCTURE LIMITED ("the Company") as of 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017, 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

  
G. K. Aggarwal  
Partner  
Membership No. 086622  
Date: 23<sup>rd</sup> May, 2017  
Place: New Delhi





**Jindal Rail Infrastructure Limited**  
**Balance Sheet as at 31st March, 2017**  
**CIN No. U45400UP2007PLC070235**

(Amount in ₹)

	Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	1	2,957,295,547	3,029,823,477
	(b) Capital work-in-progress		9,283,783	1,346,921
	(c) Other Intangible assets	2	2,067,016	1,951,186
	(d) Financial Assets			
	(i) Investments	3	113,567,257	107,567,173
	(ii) Other Financial assets	4	99,697,285	88,633,014
	(e) Deferred tax assets (net)	5	385,842,916	145,746,450
(2)	<b>Current assets</b>			
	(a) Inventories	6	786,381,151	483,803,787
	(b) Financial Assets			
	(i) Trade receivables	7	302,590,609	317,352,545
	(ii) Cash and cash equivalents	8	6,020,575	54,216,476
	(iii) Bank balances other than (ii) above	9	102,349,755	89,717,724
	(iv) Other Financial assets	10	513,232	4,730,677
	(c) Current Tax Assets (Net)	11	64,133,854	32,275,345
	(d) Other current assets	12	151,396,103	119,972,489
	<b>Total Assets</b>		<b>4,981,139,083</b>	<b>4,477,137,264</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share capital	13	305,945,030	305,945,030
	(b) Other Equity		908,249,774	1,411,503,606
	<b>Liabilities</b>			
(1)	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	14	2,749,924,472	1,300,090,048
	(ii) Other financial liabilities	15	100,000,000	100,000,000
	(b) Provisions	16	3,769,009	2,875,321
(2)	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17	350,748,565	726,181,519
	(ii) Trade payables	18	300,643,588	434,736,262
	(iii) Other financial liabilities	19	184,372,621	175,969,451
	(b) Other current liabilities	20	76,997,781	19,504,025
	(c) Provisions	21	488,243	332,002
	<b>Total Equity and Liabilities</b>		<b>4,981,139,083</b>	<b>4,477,137,264</b>

**Significant accounting policies and notes to the financial statements**

30

In terms of our report of even date annexed hereto

**For N.C. AGGARWAL & CO.**

Chartered Accountants

Firm Registration No. 003273N

**G.K.AGGARWAL**

Partner

M.No. 086622



For and on behalf of the Board of Directors of  
**Jindal Rail Infrastructure Limited**

**Arun Kumar Khosla**

Whole Time Director

DIN - 00038033

**Rajeev Goyal**

Director

DIN - 07003755

**Ajaya Kumar Biswal**

CFO

ACFPB6303C

Place: New Delhi

Dated: 23rd May, 2017

**Jindal Rail Infrastructure Limited****Statement of Profit and Loss for the year ended 31st March 2017**

(Amount in ₹)

	Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I	Gross Revenue From Operations	22	1,566,468,712	1,852,744,618
II	Other Income	23	14,825,439	12,286,016
III	Total Income (I+II)		<b>1,581,294,151</b>	<b>1,865,030,634</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	24	1,709,461,589	1,683,540,256
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	25	(155,023,186)	(89,841,163)
	Employee benefit expenses	26	130,108,461	129,307,028
	Finance costs	27	388,608,617	305,730,252
	Depreciation and amortisation expense	28	95,849,193	71,627,139
	Excise Duty		64,751,029	96,297,834
	Other expenses	29	96,866,619	134,740,277
	Total expenses (IV)		2,330,622,322	2,331,401,623
V	Profit/(loss) before exceptional items and tax (III- IV)		(749,328,171)	(466,370,989)
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		(749,328,171)	(466,370,989)
VIII	Tax expense:			
	Deferred tax		(242,072,930)	(146,800,602)
IX	Profit/(loss) for the year (VII-VIII)		(507,255,241)	(319,570,387)
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Re-measurement gains (losses) on defined benefit plans		(22,209)	(92,947)
	Income tax effect on above		7,343	30,731
	(b) Equity Instruments through Other Comprehensive Income (Gain on Fair valuation of Long Term Investment)		6,000,084	-
	Deferred Tax on above		(1,983,808)	-
	<b>Total Other Comprehensive Income</b>		<b>4,001,410</b>	<b>(62,216)</b>
XI	Total Comprehensive Income for the year (IX+X)		(503,253,831)	(319,632,603)
XII	Earning per equity share of Face value of Rs 10/-			
	(1) Basic		(16.58)	(10.45)
	(2) Diluted		(16.58)	(10.45)

**Significant accounting policies and notes to the financial statements**

30

In terms of our report of even date annexed hereto

**For N.C. AGGARWAL & CO.**

Chartered Accountants

Firm Registration No. 003273N

**G.K.AGGARWAL**

Partner

M.No. 086622



Place: New Delhi

Dated: 23/05/2017

For and on behalf of the Board of Directors of

**Jindal Rail Infrastructure Limited****Arun Kumar Khosla**

Whole Time Director

DIN - 00038033

**Rajeev Goyal**

Director

DIN - 07003755

**Ajaya Kumar Biswal**

CFO

ACFPB6303C

**Jindal Rail Infrastructure Limited**  
**Statement of Changes in Equity for the year ended 31st March 2017**

**A. Equity Share Capital**

	Balance as at 1st April, 2015	Changes in equity share capital during the year 2015-16	Balance as at 31st March, 2016	Changes in equity share capital during the year 2016-17	Balance as at 31st March, 2017
	305,945,030	-	305,945,030	-	305,945,030

**B. Other Equity**

B. Other Equity			(Amount in ₹)		
	Reserves and Surplus		Items of Other Comprehensive Income		Total
	Securities Premium Reserve	Retained Earnings	Items that will not be reclassified to Profit & Loss		
			(i) Remeasurement of Defined Benefit Plans	(ii) Equity Instruments through Other Comprehensive Income	
Balance as at April 1, 2015	610,890,060	1,114,016,864	(31,126)	6,260,410	1,731,136,208
Loss for the year 2015-16	-	(319,570,387)	-	-	(319,570,387)
Other Comprehensive Income for the year 2015-16	-	-	(62,216)	-	(62,216)
Balance as at March 31, 2016	610,890,060	794,446,477	(93,342)	6,260,410	1,411,503,605
Loss for the year 2016-17	-	(507,255,241)	-	-	(507,255,241)
Other Comprehensive Income for the year 2016-17	-	-	(14,866)	4,016,276	4,001,410
Balance as at March 31, 2017	610,890,060	287,191,236	(108,208)	10,276,686	908,249,774

**For N.C. AGGARWAL & CO.**

Chartered Accountants

Firm Registration No. 003273N



**G.K.AGGARWAL**

Partner

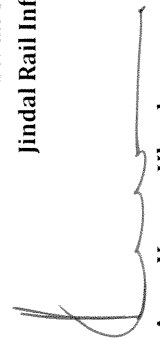
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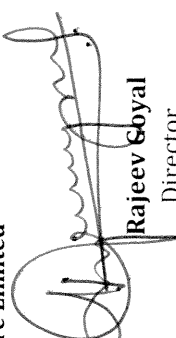
Place: New Delhi

Dated:

For and on behalf of the Board of Directors of

**Jindal Rail Infrastructure Limited**

  
**Arun Kumar Khosla**  
 Whole Time Director  
 DIN - 00038033

  
**Rajeev Goyal**  
 Director  
 DIN - 07003755

  
**Ajaya Kumar Biswal**  
 CFO

ACFPB6303C

**Jindal Rail Infrastructure Limited****Cash Flow Statement for the year ended March 31, 2017**

(Amount in ₹)

		For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>A.</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
	Profit/(Loss) before tax	(749,328,171)	(466,370,989)
	Adjustment for:		
	Depreciation	95,849,193	71,627,139
	Interest expense	347,576,927	237,456,485
	Interest income	(13,452,766)	(5,286,559)
	Gain from sale of current investment	-	(6,951,316)
	Provision for doubtful debts	-	27,032,533
	<b>Working Capital Adjustment :</b>		
	(Increase)/Decrease in Trade Receivable	14,761,936	(18,595,429)
	(Increase)/Decrease in Loan and Advances	(55,144,546)	(190,454,702)
	(Increase)/Decrease in Inventories	(302,577,364)	(2,267,228)
	Increase/(Decrease) in Trade and other Payables	(76,360,425)	149,203,568
	Income tax paid	(31,858,509)	(26,226,435)
	<b>Net cash Inflow/(Outflow) from operating activities</b>	<b>(770,533,725)</b>	<b>(230,832,933)</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
	Interest received	17,694,841	1,674,960
	Purchase of property, plant & equipment	(32,400,000)	(281,387,747)
	Proceeds from sale of current investment	-	77,319,006
	<b>Net cash Inflow/(Outflow) from investing activities</b>	<b>(14,705,159)</b>	<b>(202,393,781)</b>
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
	(Repayment) of Term Loan	-	(896,480,149)
	Proceeds from Term Loan	1,507,284,424	1,300,090,048
	Proceeds from short term borrowings	(146,260,141)	206,156,005
	Proceeds from Unsecured Loan	(274,573,096)	59,172,814
	Interest paid	(349,408,204)	(183,692,391)
	<b>Net cash Inflow/(Outflow) from financing activities</b>	<b>737,042,983</b>	<b>485,246,327</b>
	<b>Net increase in cash and cash equivalents</b>	<b>(48,195,901)</b>	<b>52,019,613</b>
	<b>Cash and cash equivalents (opening balance)</b>	<b>54,216,476</b>	<b>2,196,863</b>
	<b>Cash and cash equivalents (closing balance)</b>	<b>6,020,575</b>	<b>54,216,476</b>
		<b>(48,195,901)</b>	<b>52,019,613</b>

Note:

- 1 Previous Year figures have been regrouped wherever considered necessary.

As per our report of even date

**For N. C. Aggarwal & Co.**

Chartered Accountants

Firm Registration No: 003273N

**G.K. Aggarwal**

Partner

M No. 086622

For and on behalf of the Board of Directors of  
**Jindal Rail Infrastructure Limited****Arun Kumar Khosla**

Whole Time Director

DIN - 00038033

**Rajeev Goyal**

Director

DIN - 07003755

Place: New Delhi

Dated: 23/05/2017

**Ajaya Kumar Biswal**

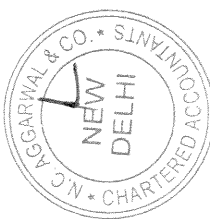
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**Lindal Rail Infrastructure Limited**  
**Notes forming part of Balance sheet**  
**Note-1**  
**PROPERTY, PLANT AND EQUIPMENT**

(Amount in ₹)

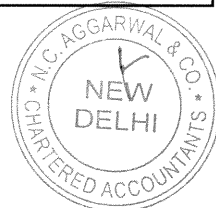
Particulars	Land	Temporary Structure	Buildings	Plant and Equipments	Furniture and Fixture	Office Equipment	Vehicles	Electricals Equipments	Computers	Total
<b>Gross Block</b>										
As at April 1, 2015	1,313,942,324	-	596,267,528	838,707,085	2,233,887	2,577,582	5,280,159	125,004,933	1,590,646	2,885,604,144
Additions	-	-	29,321,506	251,078,997	851,642	574,842	1,817,002	539,684	56,133	284,239,806
As at March 31, 2016	<b>1,313,942,324</b>	-	<b>625,589,034</b>	<b>1,089,786,082</b>	<b>3,085,529</b>	<b>3,152,424</b>	<b>7,097,161</b>	<b>125,544,617</b>	<b>1,646,779</b>	<b>3,169,843,950</b>
Additions	5,919,390	105,800	1,808,941	13,953,970		230,440			267,442	22,285,983
As at March 31, 2017	<b>1,319,861,714</b>	<b>105,800</b>	<b>627,397,975</b>	<b>1,103,740,052</b>	<b>3,085,529</b>	<b>3,382,864</b>	<b>7,097,161</b>	<b>125,544,617</b>	<b>1,914,221</b>	<b>3,192,129,933</b>
<b>Accumulated Depreciation</b>										
As at April 1, 2015	-	-	14,791,509	43,138,911	645,326	607,994	656,735	9,017,495	351,366	69,209,336
Charge for the year		-	14,967,997	44,514,871	701,911	622,057	735,815	9,018,890	249,596	70,811,137
As at March 31, 2016	-	-	<b>29,759,506</b>	<b>87,653,782</b>	<b>1,347,237</b>	<b>1,230,051</b>	<b>1,392,550</b>	<b>18,036,385</b>	<b>600,962</b>	<b>140,020,473</b>
Charge for the year		29,832	15,568,206	67,648,563	769,844	546,439	902,880	9,058,780	289,369	94,813,913
As at March 31, 2017	-	<b>29,832</b>	<b>45,327,712</b>	<b>155,302,345</b>	<b>2,117,081</b>	<b>1,776,490</b>	<b>2,295,430</b>	<b>27,095,165</b>	<b>890,331</b>	<b>234,834,386</b>
<b>Net Carrying Amount</b>										
As at March 31, 2016	1,313,942,324	-	595,829,528	1,002,132,300	1,738,292	1,922,373	5,704,611	107,508,232	1,045,817	3,029,823,477
As at March 31, 2017	1,319,861,714	75,968	582,070,263	948,437,707	968,448	1,606,374	4,801,731	98,449,452	1,023,890	2,957,295,547



**Jindal Rail Infrastructure Limited****Notes forming part of Balance sheet****Note-2****Intangible Assets**

(Amount in ₹)

Particulars	Software	Total
<b>Gross Block</b>		
As at April 1,2015	2,608,609	2,608,609
Additions	943,560	943,560
<b>As at March 31, 2016</b>	<b>3,552,169</b>	<b>3,552,169</b>
Additions	1,151,110	1,151,110
<b>As at March 31, 2017</b>	<b>4,703,279</b>	<b>4,703,279</b>
<b>Accumulated Depreciation</b>		
As at April 1,2015	784,981	784,981
Charge for the year	816,002	816,002
<b>As at March 31, 2016</b>	<b>1,600,983</b>	<b>1,600,983</b>
Charge for the year	1,035,280	1,035,280
<b>As at March 31, 2017</b>	<b>2,636,263</b>	<b>2,636,263</b>
<b>Net Carrying Amount</b>		
As at March 31, 2016	1,951,186	1,951,186
<b>As at March 31, 2017</b>	<b>2,067,016</b>	<b>2,067,016</b>



**Jindal Rail Infrastructure Limited**  
**Notes forming part of Balance sheet**

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
3	<b>Non-Current Investments</b> Equity Shares Fully Paid Up - Unquoted Designated at Fair Value through Other Comprehensive income Bharuch Dahej Railway Company Limited 1,00,00,000 (Previous Year 1,00,00,000) Equity Shares of Rs.10/- each	113,567,257	107,567,173
	<b>Total Non Current Investments</b>	<b>113,567,257</b>	<b>107,567,173</b>

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
4	<b>Other non-current financial assets</b> - Security Deposits Unsecured, Considered good - Fixed Deposits with bank with remaining maturity more than 12 months*	3,708,633 95,988,652	4,165,224 84,467,790
	<b>Total Other non-current financial assets</b>	<b>99,697,285</b>	<b>88,633,014</b>

\*Pledged with bank as margin against bank gurantee

(Amount in ₹)

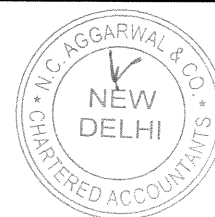
	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
5	<b>DEFERRED TAX ASSETS</b>		
(A)	<b>Deferred Tax Liability</b> Difference between book and tax base related to Fixed assets	236,569,423	229,846,889
(B)	<b>Deferred Tax Assets</b> Carried forward losses/allownaces Disallowance under Income Tax Act, 1961 Total Deferred Tax assets	621,004,764 1,407,575 622,412,339	374,532,902 1,060,437 375,593,339
	<b>Net Deferred Tax Asset (B-A)</b>	<b>385,842,916</b>	<b>145,746,450</b>

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
6	<b>Inventories</b> Raw Materials Work-in-progress Finished Goods Store and Spares	225,097,547 509,665,984 28,914,850 22,702,770	68,054,185 382,003,088 - 33,746,514
	<b>Total Inventories</b>	<b>786,381,151</b>	<b>483,803,787</b>

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
7	<b>Trade receivables</b> Unsecured, Considered good Unsecured, Considered doubtful Less : Provision for Doubtful Debts	302,590,609 27,032,533 (27,032,533)	317,352,545 27,032,533 (27,032,533)
	<b>Total Trade Receivables</b>	<b>302,590,609</b>	<b>317,352,545</b>



**Jindal Rail Infrastructure Limited**  
**Notes forming part of Balance sheet**

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
8	<b>Cash and Cash Equivalents</b>		
	Balances with Banks		
	On current accounts	5,465,442	54,091,776
	Cash on hand	555,133	124,700
	<b>Total Cash and Cash Equivalents</b>	<b>6,020,575</b>	<b>54,216,476</b>

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
9	<b>Other Bank Balances</b>		
	Fixed Deposits with remaining maturity of less than 12 months and other than considered in cash and cash equivalents *	102,349,755	89,717,724
	<b>Total Other Bank Balances</b>	<b>102,349,755</b>	<b>89,717,724</b>

\*Pledged with bank as margin against bank guarantee

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
10	<b>Other Current Financial Assets</b>		
	Interest accrued on Fixed Deposit	488,602	4,730,677
	Insurance Claim receivable	24,630	-
	<b>Total Other Current Financial assets</b>	<b>513,232</b>	<b>4,730,677</b>

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
11	<b>Current Tax Assets (Net)</b>		
	Advance Taxation(net)	64,133,854	32,275,345
	<b>Total Current Tax Assets (Net)</b>	<b>64,133,854</b>	<b>32,275,345</b>

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
12	<b>Other current assets</b>		
	Unsecured, Considered good		
	Other Receivables *	94,237,495	73,833,183
	Advance to vendor	57,158,608	46,139,306
	<b>Total Other current assets</b>	<b>151,396,103</b>	<b>119,972,489</b>

\*includes service tax cenvat, excise duty receivable, Duty drawback receivable, etc.

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
13	<b>SHARE CAPITAL</b>		
(a)	<b>AUTHORISED SHARE CAPITAL</b>		
	3,16,00,000 Equity Shares of Rs.10/- each	316,000,000	316,000,000
(b)	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
	3,05,94,503 Equity Shares of Rs.10/- each	305,945,030	305,945,030
(c)	<b>RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR</b>		
	Shares outstanding at the beginning of the year	30,594,503	30,594,503
	<b>Shares outstanding at the end of the year</b>	<b>30,594,503</b>	<b>30,594,503</b>

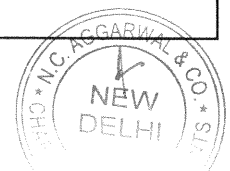
(d) **SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER:**

Name of the Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
JITF Urban Infrastructure Services Ltd.*#	30,594,503	100%	30,594,503	100%

\* Including 700 Shares (Previous year 700 shares) held by Person/companies as nominee of JITF Urban Infrastructure Services Ltd.

(e)	<b>Terms/Rights attached to Equity Shares</b>
	The Company has only one class of equity shares having a par value of Rs.10/- per equity share. Each equity shareholder is entitled to one vote

(f)	<b>Nature and Purpose of Reserves</b>
	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.





**Jindal Rail Infrastructure Limited**  
**Notes forming part of Balance sheet**

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
14	<b>Non -Current Borrowings</b>		
	<b>SECURED</b>		
	<b>RUPEE TERM LOAN</b>		
	From Others (IFCI Limited)**	1,140,319,563	1,300,090,048
	<b>Unsecured considered good**</b>		
	-JITF Urban Infrastructure Services Limited	1,553,813,583	-
	-Jindal ITF Limited	55,791,326	-
	<b>Total Non-Current Borrowings</b>	<b>2,749,924,472</b>	<b>1,300,090,048</b>

\*Term loan from IFCI Limited Sanctioned Amount Rs 96,25,00,000 (Disbursed amount Rs.96,25,00,000) carries interest @ 12.50% p.a. repayable in 26 structured installments from December,2015 as follows: FY 2018-19 to FY 2019-20 Rs15,40,00,000 FY 2020-21 Rs 19,80,00,000 FY 2021-22 Rs13,75,00,000.Term loan is secured by way of equitable mortgage on all movable and immovable fixed assets both, present or future including Land and Plant and Machinery, Loan also secured by pari-passu charges on inventory,book debts, receivables, and all escrow accounts of the borrower.The loan is also secured by corporate guarantee of Jindal Saw Limited and JITF Urban Infrastructure services Limited.

#Term loan from IFCI Limited Sanctioned Amount Rs 53,75,00,000 (Disbursed amount Rs.53,75,00,000) carries interest @ 12.50% p.a. repayable in 28 structured installments fromFebruary,2018 as follows: FY 2018-19 Rs 5,38,00,000 FY 2019-20 Rs 6.18,25,000, FY 20-21 Rs 8,06,25,000 FY 21-22 to FY 22-23 Rs8,60,00,000 each year,FY 23-24 Rs 7,19,00,000,FY 24-25 Rs6,71,25,000 and FY 25-26 Rs 1,67,75,000 .Term loan is secured by way of equitable mortgage on all movable and immovable fixed assets both, present or future including Land and Plant and Machinery, Loan also secured by pari-passu charges on inventory,book debts, receivables, and all escrow accounts of the borrower and pledge of 51% shares of Borrower.The loan is also secured by corporate guarantee of JITF Urban Infrastructure services Limited and Personal Gurantee of Mr. Indresh Batra and Mrs.Sminu Jindal.

Loan is net of amortisation cost

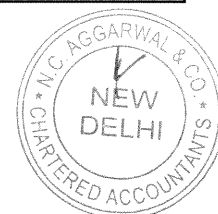
There is no default in repayment of principal and interest thereon.

\*\*Loan is repayable after 5 years from the date of last disbursement. Loan carries interest @ 12.20% to 12.25% p.a

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
15	<b>Other Financial Liabilities (non Current)</b>		
	Others payable*	100,000,000	100,000,000
	<b>Total Other Financial Liabilities</b>	<b>100,000,000</b>	<b>100,000,000</b>

\*Payable against contractual obligation



**Jindal Rail Infrastructure Limited**  
**Notes forming part of Balance sheet**

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
16	<b>PROVISIONS</b>		
	For Employee Benefits		
	Gratuity	202,846	163,784
	Leave Encashment	3,566,163	2,711,537
	<b>Total Non-Current Provisions</b>	<b>3,769,009</b>	<b>2,875,321</b>

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
17	<b>CURRENT BORROWINGS</b>		
	<b>SECURED CURRENT BORROWINGS</b>		
	Working Capital Facility from Bank*	350,748,565	497,008,705
	<b>UNSECURED CURRENT BORROWINGS</b>		
	Loan From Related Parties		
	-Jindal ITF Limited	-	45,297,814
	-JITF Urban Infrastructure Services Limited	-	183,875,000
	<b>Total Current Borrowings</b>	<b>350,748,565</b>	<b>726,181,519</b>

\*Secured by hypothecation of current assets, comprising of stocks of raw materials, stores and spares, consumables, stock in process, finished goods etc, present and future, lying at its works, godowns, elsewhere as acceptable to bank, including stock in transit, cash and credit balances in their loan/other accounts and all present and future book debts / receivables as also clean or documentary bills, domestic or export, whether accepted or otherwise and the cheques/ drafts / instruments etc drawn in its favour.

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
18	<b>TRADE PAYABLES*</b>		
	Dues to other than Micro and Small enterprises	300,643,588	434,736,262
	<b>Total Trade Payables</b>	<b>300,643,588</b>	<b>434,736,262</b>

\*There are no Micro and Small Enterprises, to whom the Company owes dues as at 31st March 2017. 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.

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
19	<b>Other Financial Liabilities</b>		
	Current maturities of Long term debt	167,450,000	110,000,000
	Interest Accrued but not due	6,532,535	8,363,812
	Interest Payable on loan from related parties	-	45,400,282
	Capital Creditors	1,982,105	3,008,149
	Due to Related Parties	1,087,936	900,000
	Due to others	7,320,045	8,297,208
	<b>Total Other Financial Liabilities</b>	<b>184,372,621</b>	<b>175,969,451</b>

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
20	<b>OTHER CURRENT LIABILITIES</b>		
	Advance from Customers	1,227,344	1,580,267
	Mobilisation Advance from Customers	56,661,647	-
	<b>Other Payables</b>		
	Statutory Dues	19,108,790	17,923,758
	<b>Total Other Current Liabilities</b>	<b>76,997,781</b>	<b>19,504,025</b>

(Amount in ₹)

	DESCRIPTION	As at 31st March, 2017	As at 31st March, 2016
21	<b>Provisions</b>		
	For Employee Benefits		
	Gratuity	23,163	3,292
	Leave Encashment	465,080	328,710
	<b>Total Current Provisions</b>	<b>488,243</b>	<b>332,002</b>



# **Indal Rail Infrastructure Limited**

## **Notes forming part of Statement of Profit and Loss**

(Amount in ₹)

	DESCRIPTION	For the year ended 31st March, 2017	For the year ended 31st March, 2016
22	<b>Revenue from operations</b>		
	<b>Domestic Sales</b>		
	Sale of Products-Railway wagons and Parts	1,564,473,972	1,844,800,642
	<b>Exported Sales</b>		
	Sale of Products - Wagons Parts	-	3,894,349
	<b>Other Operating Revenue</b>		
	Scrap Sale (Non operational)	1,994,740	3,295,098
	Export / Other Incentives	-	754,529
	<b>Revenue from operations</b>	<b>1,566,468,712</b>	<b>1,852,744,618</b>

(Amount in ₹)

	DESCRIPTION	For the year ended 31st March, 2017	For the year ended 31st March, 2016
23	<b>Other income</b>		
	Interest on Fixed Deposit	13,110,222	5,286,559
	Interest on Income Tax Refund	342,544	48,141
	Profit on Sale of Current Investments	-	6,951,316
	Miscellaneous Income	1,372,673	-
	<b>Total</b>	<b>14,825,439</b>	<b>12,286,016</b>

(Amount in ₹)

	DESCRIPTION	For the year ended 31st March, 2017	For the year ended 31st March, 2016
24	<b>Cost of materials consumed</b>		
	Raw Material consumed	1,709,461,589	1,683,540,256
	<b>Total</b>	<b>1,709,461,589</b>	<b>1,683,540,256</b>

(Amount in ₹)

	DESCRIPTION	For the year ended 31st March, 2017	For the year ended 31st March, 2016
25	<b>Changes in inventories of finished goods, stock in process and Stock-in-trade</b>		
	<b>Opening Stock</b>		
	Work-in-progress	382,003,088	279,417,591
	Finished Goods	-	13,893,493
	<b>Total Opening Stock</b>	<b>382,003,088</b>	<b>293,311,084</b>
	<b>Closing Stock</b>		
	Work-in-progress	509,665,984	382,003,088
	Finished Goods	28,914,850	-
	<b>Total Closing Stock</b>	<b>538,580,834</b>	<b>382,003,088</b>
	<b>Net (Increase)/Decrease in Stock</b>	<b>(156,577,746)</b>	<b>(88,692,004)</b>
	Excise duty on account of increase/(decrease) on stock of finished goods	1,554,560	(1,149,159)
	<b>Total (Increase)/Decrease in Stock</b>	<b>(155,023,186)</b>	<b>(89,841,163)</b>

(Amount in ₹)

	DESCRIPTION	For the year ended 31st March, 2017	For the year ended 31st March, 2016
26	<b>Employee benefits expense</b>		
	Salary and wages	125,287,051	125,519,665
	Contribution to Provident and other Funds	2,814,162	2,546,956
	Workmen and staff Welfare	2,007,248	1,240,407
	<b>Total</b>	<b>130,108,461</b>	<b>129,307,028</b>



**Indal Rail Infrastructure Limited****Notes forming part of Statement of Profit and Loss**

(Amount in ₹)

	<u>DESCRIPTION</u>	For the year ended 31st March, 2017	For the year ended 31st March, 2016
27	<b><u>Finance Costs</u></b>		
	Interest on Term Loan	182,663,910	140,964,055
	Interest on Bank Borrowings	64,266,870	46,047,672
	Interest on Inter Corporate Loan	100,646,147	50,444,758
	Bank and Finance Charges	41,031,690	68,273,767
	<b>Total</b>	<b>388,608,617</b>	<b>305,730,252</b>

(Amount in ₹)

	<u>DESCRIPTION</u>	For the year ended 31st March, 2017	For the year ended 31st March, 2016
28	<b><u>Depreciation and amortisation expense</u></b>		
	Depreciation	94,813,913	70,811,137
	Amortisation	1,035,280	816,002
	<b>Total</b>	<b>95,849,193</b>	<b>71,627,139</b>

(Amount in ₹)

	<u>DESCRIPTION</u>	For the year ended 31st March, 2017	For the year ended 31st March, 2016
29	<b><u>Other Expenses</u></b>		
	Store and Spares Consumed	11,234,087	23,397,924
	Power and Fuel	11,842,241	14,642,285
	Job Work Charges	2,980,888	4,285,020
	Repairs to Plant and Machinery	19,485,733	20,573,572
	Discount and Rebate	-	5,000,000
	Repairs to Buildings	7,105,752	4,528,606
	Other Manufacturing Expenses	3,842,008	4,240,844
	Travelling and Conveyance	4,327,734	4,966,418
	Insurance	2,794,368	2,150,498
	Auditor Remuneration		
	-As Audit Fees	27,480	29,220
	-As Tax Audit Fees	13,740	12,000
	Cost Audit remuneration	50,000	56,180
	Legal and Professional	10,079,886	3,736,874
	Communication costs	2,028,478	1,057,818
	Rates and Taxes	3,006,116	2,490,917
	Rent	521,000	805,674
	Repair and Maintenance - Others	2,333,660	1,773,747
	Director Sitting Fees	183,448	171,925
	Vehicle Upkeep and Maintenance	2,100,545	2,170,613
	Provision for Doubtful Debts	-	27,032,533
	Charity and Donation	-	268,000
	Security Charges	2,724,073	3,119,163
	Printing and Stationery	158,130	197,606
	Fees and Subscription	99,351	285,443
	Books and periodicals	3,500	5,500
	Advertisement Expenses	37,500	-
	Business Promotion	1,431,781	4,253,482
	Freight and Forwarding Charges	10,042	279,485
	Commission Charges	5,000	-
	Miscellaneous Expenses	8,440,078	3,208,930
	<b>Grand Total</b>	<b>96,866,619</b>	<b>134,740,277</b>



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

#### 1. Corporate and General Information

Jindal Rail Infrastructure Limited ("JRIL" or "the Company") is domiciled and incorporated on 25th May, 2007 in India. The registered office of JRIL is situated at A-1, UPSIDC Industrial Area, Nandgaon Road, KosiKalan, District Mathura, 281403 (U.P.) India.

The Company's main object to carry on the business in manufacture and fabrication and marketing of Rail wagons in and outside India.

#### 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. 3 of the Notes of 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. 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,

##### 3.2 Property, Plant and equipment

On transition to IND AS, the Company had adopted exception for property, plant and equipment at fair value and 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
- Temporary Structure	3
- Buildings	40
<b>Equipment &amp; Machinery</b>	
- Plant and Machinery	5-40
- Electrical Installation	5-15
<b>Other equipment, operating and office equipment</b>	
- Computer Equipment	3-8
- Furniture and fixture	5
- Office Equipment	3-15
- Vehicles	10-15



# **Jindal Rail Infrastructure Limited**

## **Significant Accounting Policies and Notes to Financial Statements**

### **Note-30**

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**

a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.

b) Leave encashment being a short term benefit is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

d) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in Statement of Profit and Loss.

The Company operates a defined benefit plan for gratuity, which requires contributions to be made to a separately administered fund. The fund is managed by a trust. The trust has taken policies from an insurance company.



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

#### 3.8 Foreign currency reinstatement and translation

##### (a) Functional and presentation currency

The financial statements have been presented in Indian Rupees (Rupees or), 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 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.

##### 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, if any. 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.

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

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 equity securities are initially measured at fair value. Any subsequent fair value gain or loss is recognized through



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

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Profit or Loss if such investments in equity securities are held for trading purposes. The fair value gains or losses of all other equity securities are recognized in Other Comprehensive Income.

#### a) 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 amortized 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.

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.

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.

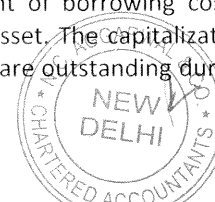
### 3.10 Equity share capital

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.

### 3.11 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,





# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

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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.

#### 3.12 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 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.

#### 3.13 Revenue recognition and other operating income

##### *Sale of goods*

Revenue is recognized at the fair value of consideration received or receivable and represents the net invoice value of goods supplied to third parties after deducting discounts, volume rebates and outgoing sales tax and are recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue is inclusive of excise duty.

##### *Other Operating Income*

Incentives on exports and other Government incentives related to operations are recognised in books after due consideration of certainty of utilization/receipt of such incentives.

##### *Other Income*

##### **Interest**

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

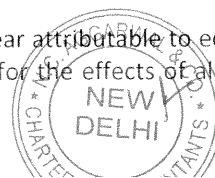
##### **Dividend**

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

#### 3.14 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



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

equity shares, if any.

#### 3.15 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.

##### i). Gratuity and leave encashment provision

Refer Note no 3.7 for provision relating to gratuity and leave encashment.

##### 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.

#### 3.16 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position 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.



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

#### 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.

##### *(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.

##### *(g) Liquidated damages*

Liquidated damages payable are estimated and recorded as per contractual terms; estimate may vary from actuals as levy by customer.

#### 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:

##### i) Market risk



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## Significant Accounting Policies and Notes to Financial Statements

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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 three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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, 2017 and March 31, 2016.

#### 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, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

### Market Risk

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) Foreign exchange risk and sensitivity

The Company transacts business primarily in Indian Rupee and USD. The Company has no foreign currency trade payables and receivable outstanding as on 31<sup>st</sup> March, 2017 and is therefore, not exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies.

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

#### (b) Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The management also maintains a portfolio mix of floating and fixed rate 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
<b>For the year ended March 31, 2017</b>		
INR borrowings	+50	(7,984,359)
	-50	7,984,359
<b>For the year ended March 31, 2016</b>		
INR borrowings	+50	(9,343,170)
	-50	9,343,170



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## Significant Accounting Policies and Notes to Financial Statements

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

#### (c) Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The company enter into contracts for procurement of material, most of the transactions are short term fixed price contract and a very few transactions are long term fixed price contracts.

#### 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 & distributors, which mitigate the credit risk to an extent.

The ageing of trade receivable is as below:

Particulars	Neither due nor impaired	Past due			Total
		upto 6 months	6 to 12 months	Above 12 months	
<b>Trade Receivables</b>					
<b>As at March 31, 2017</b>					
Unsecured					
Considered Good	-	197,528,794	-	105,061,815	302,590,609
Considered Doubtful	-	-	-	27,032,533	27,032,533
Provision fro doubtful receivables	-	-	-	(27,032,533)	(27,032,533)
<b>Net Total</b>	-	<b>197,528,794</b>	-	<b>105,061,815</b>	<b>302,590,609</b>
<b>As at March 31, 2016</b>					
Unsecured					
Considered Good	-	211,751,687	-	105,600,858	317,352,545
Considered Doubtful	-	-	-	27,032,533	27,032,533
Provision fro doubtful receivables	-	-	-	(27,032,533)	(27,032,533)
<b>Net Total</b>	-	<b>211,751,687</b>	-	<b>105,600,858</b>	<b>317,352,545</b>

(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.



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

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, 2017					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 years	
Interest Bearing Borrowing (Including Current Maturity)	3,268,123,037	-	77,000,000	441,198,565	2,749,924,472	3,268,123,037
Other liabilities	116,922,621	1,087,936	15,834,685	-	100,000,000	116,922,621
Trade and other payables	300,643,588	2,150,059	298,493,529	-	-	300,643,588
<b>Total</b>	<b>3,685,689,246</b>	<b>3,237,995</b>	<b>391,328,214</b>	<b>441,198,565</b>	<b>2,849,924,472</b>	<b>3,685,689,246</b>

(Amount in ₹)

Particulars	As of March 31, 2016					Total
	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 years	
Interest Bearing Borrowing (Including Current Maturity)	2,136,271,567	229,172,814	55,000,000	552,008,705	1,300,090,048	2,136,271,567
Other liabilities	165,969,451	46,300,282	19,669,169	-	100,000,000	165,969,451
Trade and other payables	434,736,262	3,139,644	431,596,618	-	-	434,736,262
<b>Total</b>	<b>2,736,977,280</b>	<b>278,612,740</b>	<b>506,265,787</b>	<b>552,008,705</b>	<b>1,400,090,048</b>	<b>2,736,977,280</b>

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:

(Amount in ₹)

Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings	Weighted Average Interest Rate%
INR	3,268,123,037	1,658,518,128	1,609,604,909	
<b>Total as at March 31, 2017</b>	<b>3,268,123,037</b>	<b>1,658,518,128</b>	<b>1,609,604,909</b>	<b>12.99%</b>
INR	2,136,271,567	1,907,098,753	229,172,814	
<b>Total as at March 31, 2016</b>	<b>2,136,271,567</b>	<b>1,907,098,753</b>	<b>229,172,814</b>	<b>13.16%</b>

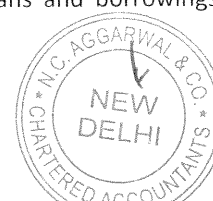
#### Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

#### 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. No changes were made in the objectives, policies or processes during the year ended March 31, 2017 and March 31, 2016.

For the purpose of the Company's capital management, capital includes issued capital, compulsorily convertible debentures, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits, excluding discontinued operations.



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

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 2016-17 and 2015-16 is an under.

(Amount in ₹)

Particulars	As of March 31, 2017	As of March 31, 2016
Loans and borrowings	3,268,123,037	2,136,271,567
Less: cash and cash equivalents	6,020,575	54,216,476
Net debt	3,262,102,462	2,082,055,091
Total capital	1,214,194,805	1,717,448,636
Capital and net debt	4,476,297,267	3,799,503,727
<b>Gearing ratio</b>	<b>72.88%</b>	<b>54.80%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

#### 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, 2017		As at March 31, 2016	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Investment</b>				
<b>Financial assets designated at amortised cost</b>				
Fixed deposits with banks	198,338,407	198,338,407	174,185,514	174,185,514
Cash and bank balances	6,020,575	6,020,575	54,216,476	54,216,476
Investment	113,567,257	113,567,257	107,567,173	107,567,173
Trade and other receivables	302,590,609	302,590,609	317,352,545	317,352,545
Other financial assets	4,221,865	4,221,865	8,895,901	8,895,901
	<b>624,738,713</b>	<b>624,738,713</b>	<b>662,217,609</b>	<b>662,217,609</b>
<b>Financial liabilities designated at amortised cost</b>				
Borrowings- fixed rate	1,609,604,909	1,609,604,909	229,172,814	229,172,814
Borrowings- floating rate	1,658,518,128	1,658,518,128	1,907,098,753	1,907,098,753
Trade & other payables	300,643,588	300,643,588	434,736,262	434,736,262
Other financial liabilities	116,922,621	116,922,621	165,969,451	165,969,451
	<b>3,685,689,246</b>	<b>3,685,689,246</b>	<b>2,736,977,280</b>	<b>2,736,977,280</b>

#### 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.
- 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.

# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

#### 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. Derivatives included interest rate swaps and foreign currency forwards.
- 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

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:

#### Assets/Liabilities measured at fair value through OCI.

(Amount in ₹)

Particulars	As at March 31, 2017		
	Level 1	Level 2	Level 3
Financial assets			
Non Current Investment		113,567,257	

(Amount in ₹)

Particulars	As at March 31, 2016		
	Level 1	Level 2	Level 3
Financial assets			
Non Current Investment		107,567,173	

Assets / Liabilities for which fair value is disclosed:





# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

(Amount in ₹)

Particulars	As at March 31, 2017		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Borrowings- fixed rate		1,609,604,909	
Other financial liabilities		116,922,621	

(Amount in ₹)

Particulars	As at March 31, 2016		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Borrowings- fixed rate		229,172,814	
Other financial liabilities		165,969,451	

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.

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, 2017 and March 31, 2016, respectively:

#### a) Assets / Liabilities measured at fair value

Particulars	Fair value hierarchy	Valuation technique	Inputs used	Quantitative information about significant unobservable inputs
<b>Financial assets</b>				
Non Current Investment	Level 2	Market valuation techniques	Net worth from Published financials	-

#### b) Assets / Liabilities for which fair value is disclosed

Particulars	Fair value hierarchy	Valuation technique	Inputs used
<b>Financial liabilities</b>			
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

## 7. Segment information

### Information about primary segment

The Company has only one segment i.e. manufacturing of Rail Wagons.

### Information about Geographical Segment – Secondary

The Company's operations are located in India. The following table provides an analysis of the Company's sales by geography in which the customer is located, irrespective of the origin of the goods.



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

(Amount in ₹)

Particulars	2016-17			2015-16		
	Within India	Outside India	Total	Within India	Outside India	Total
Gross Revenue from Operations	1,566,468,712	-	1,566,468,712	1,848,850,269	3,894,349	1,852,744,618
Non current Assets	2,968,646,346	-	2,968,646,346	3,033,121,584	-	3,033,121,584

#### 8. Income tax expense

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Current tax	-	-
Deferred tax (liability)/Asset		
- Relating to origination & reversal of temporary differences	242,072,930	150,673,630
- Relating to change in tax rate	-	(3,873,028)
Tax (expense)/income attributable to current year's profit	242,072,930	146,800,602
<b>Total Tax (expense)/income</b>	<b>242,072,930</b>	<b>146,800,602</b>

#### 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 follows:

(Amount in ₹)

S.No	Description	For the year ended March 31, 2017	For the year ended March 31, 2016
	Net Loss(Income) before taxes	749,328,171	466,370,989
	Enacted tax rates	33.063%	33.06%
	Computed tax Income (expense)	247,750,373	154,196,240
	<b>Increase/(reduction) in taxes on account of:</b>		
1	Effect of Change in Tax rate	-	29,588
2	Losses on which deferred tax created in Previous year now reversed	(3,138,365)	-
3	Losses on which in Previous year no deferred tax made	-	1,512,540
4	Disallowances against which no deferred tax recognised	(2,539,078)	(8,937,766)
	<b>Income tax (expense)/income reported</b>	<b>242,072,930</b>	<b>146,800,602</b>

#### 9. Deferred Income Tax

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

(Amount in ₹)

#### Reconciliation of Deferred Tax Assets Net

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Book base and tax base of Fixed Assets	(6,722,534)	(23,811,070)
Disallowance under Income Tax Act, 1961	347,138	82,140
Carried Forward Losses	248,448,326	170,529,532
<b>Total</b>	<b>242,072,930</b>	<b>146,800,602</b>



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

Component of tax accounted in OCI and equity

(Amount in ₹)

Desription	Year ended March 31, 2017	Year ended March 31, 2016
<b>Component of OCI</b>		
Deferred Tax (Gain)/Loss on defined benefit	(7,343)	(30,731)
Deferred Tax (Gain)/Loss on Fair valuation of Equity Instruments	1,983,808	-

#### 10. Retirement benefit obligations

##### 1. Expense recognised for Defined Contribution plan

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Company's contribution to provident fund	2,577,271	2,454,017
<b>Total</b>	<b>2,577,271</b>	<b>2,454,017</b>

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2017 and March 31, 2016, being the respective measurement dates:

##### 2. Movement in defined benefit obligation

(Amount in ₹)

Particulars	Gratuity (funded)	leave encashment (unfunded)
Present value of obligation - April 1, 2016	3,673,374	3,040,247
Current service cost	897,504	857,760
Interest cost	275,503	228,019
Benefits paid	-	(758,331)
Acquisitions / Transfer in/ Transfer out	-	-
Remeasurements - actuarial loss/ (gain)	76,583	663,548
Present value of obligation - March 31, 2017	4,922,964	4,031,243
Present value of obligation - April 1, 2015	2,849,552	2,878,189
Current service cost	808,874	828,912
Interest cost	227,964	230,255
Benefits paid	(315,861)	(1,479,685)
Acquisitions / Transfer in/ Transfer out	-	-
Remeasurements - actuarial loss/ (gain)	102,845	582,576
Present value of obligation - March 31, 2016	3,673,374	3,040,247



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

#### 3. Movement in Plan Assets – Gratuity

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Fair value of plan assets at beginning of year	3,506,298	3,010,778
Expected return on plan assets	262,972	260,683
Employer contributions	873,311	540,800
Benefits paid	-	(315,861)
Amount received on redemption of plan assets		
Acquisitions / Transfer in/ Transfer out		
Actuarial gain / (loss)	54,374	9,898
Fair value of plan assets at end of year	4,696,955	3,506,298
Present value of obligation	4,922,964	3,673,274
Net funded status of plan	(226,009)	167,076
Actual return on plan assets	317,347	270,581

The components of the gratuity & leave encashment cost are as follows:

#### 4. Recognised in profit and loss

(Amount in ₹)

Particulars	Gratuity	leave encashment
Current Service cost	808,874	828,912
Interest cost	227,964	230,255
Expected return on plan assets	(260,683)	-
Remeasurement - Acturial loss/(gain)		582,576
For the year ended March 31, 2016	776,155	1,641,743
Current Service cost	897,504	857,760
Interest cost	275,503	228,019
Expected return on plan assets	(262,972)	
Remeasurement - Acturial loss/(gain)		663,548
For the year ended March 31, 2017	910,035	1,749,327
Actual return on plan assets	317,347	-

#### 5. Recognised in other comprehensive income

(Amount in ₹)

Particulars	Gratuity
Remeasurement - Acturial loss/(gain)	92,947
For the year ended March 31, 2016	92,947
Remeasurement - Acturial loss/(gain)	22,209
For the year ended March 31, 2017	22,209

#### 6. The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

Weighted average actuarial assumptions	As of March 31, 2017	As of March 31, 2016
Discount Rate	7.5% PA	8.00% PA
Expected Rate of increase in salary	6.5% PA	6.5% PA
Expected Rate of Return on Plan Assets	7.5% PA	8.00% PA
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of employees (years)	23.40	25.10

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

#### 7. Sensitivity analysis:

(Amount in ₹)

For the year ended March 31, 2016

Particulars	change in Assumption	Effect on Gratuity obligation	Effect on Leave encashment obligation
Discount rate	+1%	3,366,882	2,760,166
	-1%	4,034,298	3,373,020
Salary Growth rate	+1%	4,036,160	3,374,740
	-1%	3,360,146	2,754,055
Withdrawal Rate	+1%	3,699,510	3,081,204
	-1%	3,640,906	2,993,154

For the year ended March 31, 2017

Particulars	change in Assumption	Effect on Gratuity obligation	Effect on Leave encashment obligation
Discount rate	+1%	4,504,141	3,698,635
	-1%	5,417,823	4,424,082
Salary Growth rate	+1%	5,398,291	4,424,082
	-1%	4,515,941	3,692,831
Withdrawal Rate	+1%	4,949,068	4,060,989
	-1%	4,891,410	3,997,134

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

#### 8. History of experience adjustments is as follows:

(Amount in ₹)

Particulars	Gratuity	leave encashment
For the year ended March 31, 2016		
Plan Liabilities - (loss)/gain	114,951	(451,344)
Plan Assets - (loss)/gain	(16,089)	-
For the year ended March 31, 2017		
Plan Liabilities - (loss)/gain	118,762	(513,430)
Plan Assets - (loss)/gain	(54,374)	-

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

(Amount in ₹)

Particulars	Gratuity
01 Apr 2017 to 31 Mar 2018	518,615
01 Apr 2018 to 31 Mar 2019	140,076
01 Apr 2019 to 31 Mar 2020	1,116,165
01 Apr 2020 to 31 Mar 2021	226,390
01 Apr 2021 to 31 Mar 2022	120,035
01 Apr 2022 Onwards	3,478,739

#### 9. Statement of Employee benefit provision



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Gratuity	226,009	167,076
leave encashment	4,031,243	3,040,247
<b>Total</b>	<b>4,257,252</b>	<b>3,207,323</b>

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet.

#### 10. Current and non-current provision for Gratuity and leave encashment

For the year ended March 31, 2016 (Amount in ₹)

Particulars	Gratuity	Leave Encashment
Current provision	3,292	328,710
Non current provision	163,784	2,711,537
<b>Total Provision</b>	<b>167,076</b>	<b>3,040,247</b>

For the year ended March 31, 2017 (Amount in ₹)

Particulars	Gratuity	Leave Encashment
Current provision	23,163	465,080
Non current provision	202,846	3,566,163
<b>Total Provision</b>	<b>226,009</b>	<b>4,031,243</b>

#### 11. Employee benefit expenses

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and Wages	125,287,051	125,519,665
Costs-defined contribution plan	2,814,162	2,546,956
Welfare expenses	2,007,248	1,240,407
<b>Total</b>	<b>130,108,461</b>	<b>129,307,029</b>

(Figures in no.)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Average no of people employed	88	92

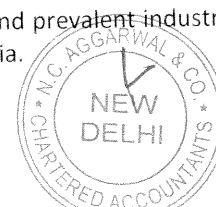
#### OCI presentation of defined benefit plan

- 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.

#### Presentation in Statement of Profit and Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit and Loss. IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1. Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet. When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

#### 11. Other disclosures

##### a) Auditors Remuneration

(Amount in ₹)

Particulars	For year ended March 31, 2017	For year ended March 31, 2016
<b>Statutory Auditors</b>		
a) Audit Fees	27,480	29,220
b) Tax Audit Fees	13,740	12,000
<b>Total</b>	<b>41,220</b>	<b>41,220</b>
<b>Cost Auditors</b>		
a) Audit Fees	50,000	56,180
<b>Total</b>	<b>50,000</b>	<b>56,180</b>

#### 12. Contingent liabilities

(Amount in ₹)

Particulars	As of March 31, 2017	As of March 31, 2016
Guarantees issued by the Company's bankers on behalf of the Company	557,307,070	440,824,470
Letter of Credit Outstanding	326,908,757	462,372,834
<b>Total</b>	<b>884,215,827</b>	<b>903,197,304</b>

It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

#### 13. Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)

(Amount in ₹)

Estimated amount of contract remaining to be executed on capital account and not provided for	As of March 31, 2017	As of March 31, 2016
Property, plant and equipment	-	22,510,407

#### 14. Related party transactions

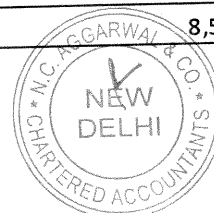
In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

Related party name and relationship

##### Remuneration to Key Managerial Personnel (KMP)

(Amount in ₹)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Short-Term employee benefits	8,337,206	8,163,012
- Defined contribution plan	416,696	388,922
<b>Total</b>	<b>8,753,902</b>	<b>8,551,934</b>



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

#### 1. Key Managerial personnel

S. No.	Name	Particulars
1	Ms. Sminu Jindal	Director
2	Mr. Arun Kumar Khosla	Whole Time Director
3	Mr. Dhananjaya Pati Tripathi	Independent Director
4	Mr. Rajeev Goyal	Director
5	Mr. Ajaya Kumar Biswal	CFO

#### 2. Parent, direct subsidiaries and indirect 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	Fellow Subsidiary
4	Jindal Water Infrastructure Limited	Fellow Subsidiary
5	JITF Water Infra (Naya Raipur) Limited	Fellow Step Down Subsidiary
6	JITF ESIPL CETP (Sitarganj) Limited	Fellow Step Down Subsidiary
7	JITF Industrial Infrastructure Development Company Limited	Fellow Step Down Subsidiary
8	JITF Urban Waste Management (Ferozepur) Limited	Fellow Step Down Subsidiary
9	JITF Urban Waste Management (Jalandhar) Limited	Fellow Step Down Subsidiary
10	JITF Urban Waste Management (Bathinda) Limited	Fellow Step Down Subsidiary
11	Jindal Urban Waste Management (Vishakhapatnam) Limited	Fellow Step Down Subsidiary
12	Jindal Urban Waste Management (Tirupati) Limited	Fellow Step Down Subsidiary
13	Jindal Urban Waste Management (Guntur) Limited	Fellow Step Down Subsidiary
14	Timarpur- Okhla Waste Management Company Private Limited	Fellow Step Down Subsidiary
15	Jindal Urban Waste Management (Jaipur) Limited w.e.f. 10.10.2016	Fellow Step Down Subsidiary
16	Jindal Urban Waste Management (Jodhpur) Limited w.e.f. 13.02.2017	Fellow Step Down Subsidiary
17	Jindal Urban Waste Management (Ahmedabad) Limited w.e.f. 05.09.2016	Fellow Step Down Subsidiary

#### 3. Entities falling under same promoter group.

S.No.	Name of the entity
1	Jindal Saw Limited
2	Jindal ITF Limited
3	JITF Coal Logistics Limited

#### 4. Joint ventures/ associates

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

#### Trust under control

S. No.	Name of the Entity	Relationship
1	Jindal Rail Infrastructure Limited Employees Group Gratuity Scheme	Post employment benefit plan





# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

(Amount in ₹)

#### Related Party Transactions

Description	Parent Company		Fellow/ Step Down Subsidiary		Entities falling under same promoter group	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>Loan taken during the year</b>						
JITF Water Infrastructure Limited	-	-	-	25,000,000	-	-
JITF Urban Infrastructure Services Limited	1,828,200,000	891,400,000	-	-	-	-
<b>Loan repaid during the year</b>						
JITF Water Infrastructure Limited	-	-	-	15,00,00,000	-	-
JITF Urban Infrastructure Services Limited	578,000,000	1,075,275,000	-	-	-	-
<b>Expense reimbursed /to be reimbursed</b>						
JITF Water Infrastructure Limited	-	-	435,319	-	787,321	-
Jindal Saw Limited	-	-	-	-	-	-
<b>Interest Expenses on Loan</b>						
Jindal ITF Limited	-	-	-	-	6,133,125	5,526,333
JITF Water Infrastructure Limited	-	-	-	6,388,576	-	-
JITF Urban Infrastructure Services Limited	94,513,022	38,529,848	-	-	-	-

(Amount in ₹)

#### Related Party Balances

Description	Parent Company		Fellow/ Step Down Subsidiary		Entities falling under same promoter group	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
<b>Share Capital including share premium (refer note no 13)</b>						
JITF Urban Infrastructure Services Limited	91,68,35,090	91,68,35,090	-	-	-	-
<b>Loan Amount Payable (refer note no 14)</b>						
Jindal ITF Limited	-	-	-	-	55,791,326	-
JITF Urban Infrastructure Services Limited	1,553,813,583	-	-	-	-	-
<b>(refer note no 17)</b>						
Jindal ITF Limited	-	-	-	-	-	4,52,97,814
JITF Urban Infrastructure Services Limited	-	18,38,75,000	-	-	-	-
<b>Interest Amount Payable (refer note no 19)</b>						
Jindal ITF Limited	-	-	-	-	-	4,973,700
JITF Water Infrastructure Limited	-	-	-	5,749,718	-	-
JITF Urban Infrastructure Services Limited	-	34,676,863	-	-	-	-
<b>Amount Payable (refer note no 19)</b>						
Jindal Saw Limited	-	-	-	-	187,936	-
Jindal ITF Limited	-	-	-	-	9,00,000	9,00,000



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

#### 15. 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, 2017	Year ended March 31, 2016
Issued equity shares	30,594,503	30,594,503
Weighted average shares outstanding - Basic and Diluted - A	30,594,503	30,594,503

Net profit available to equity holders of the Parent used in the basic and diluted earnings per share was determined as follows:

Particulars	(Amount in ₹)	
	Year ended March 31, 2017	Year ended March 31, 2016
Profit and loss after tax - B	(507,255,241)	(319,570,387)
Basic Earnings per share (B/A)	(16.58)	(10.45)
Diluted Earnings per share (B/A)	(16.58)	(10.45)

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

16. The detail of Specified Bank Notes held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 as required by Ministry of Corporate Affairs vide notification no G.S.R 308 (E) dated 30<sup>th</sup> March, 2017 is as follows:

Particulars	(Amount in ₹)		
	SBNs	Other Denomination notes	Total
Closing Cash in hand as on 08.11.2016	32,000	104	32,104
(+) Permitted receipts	-	10,000	10,000
(-) Permitted payments		1,427	1,427
(-) Amount deposited in banks	32,000		32,000
Closing Cash in hand as on 30.12.2016		8,677	8,677



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-30

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

18. Notes 1 to 17 are annexed and form integral part of Financial Statements.

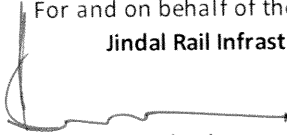
For N.C. AGGARWAL & CO.  
Chartered Accountants  
Firm Registration No. 003273N

  
G.K.AGGARWAL  
Partner  
M.No. 086622




Place: New Delhi  
Dated: 23rd May, 2017

For and on behalf of the Board of Directors of  
Jindal Rail Infrastructure Limited

  
Arun Kumar Khosla  
Whole Time Director  
DIN - 00038033

  
Rajeev Goyal  
Director  
DIN - 07003755

  
Ajaya Kumar Biswal  
CFO  
ACFPB6303C