

## **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, 2018, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

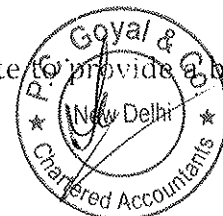
### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

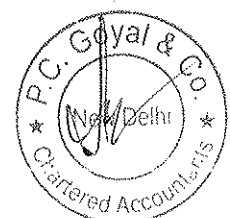


### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018 and its losses and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-1** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure-2**.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations as on 31<sup>st</sup> March, 2018;



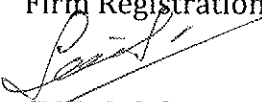
**P.C. GOYAL & CO.**  
**CHARTERED ACCOUNTANTS**

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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.

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

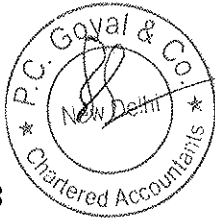
  
**(M.P. Jain)**

Partner

M. No. 082407

Dated: 18<sup>th</sup> May, 2018

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, 2018)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) A major portion of the fixed assets has been physically verified by the Management in accordance with a phased programmed of verification once in two years adopted by the company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.  
  
(c) 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, 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues in respect of income-tax, 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.



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

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



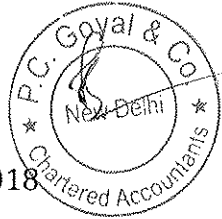
**(M.P. Jain)**

Partner

M. No. 082407

Dated: 18<sup>th</sup> May, 2018

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, 2018**

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

We have audited the internal financial controls over financial reporting of JINDAL RAIL INFRASTRUCTURE LIMITED ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

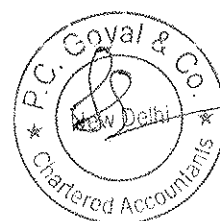
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

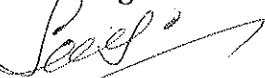
**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For P.C. Goyal & Co.,**

Chartered Accountants

Firm Registration No. 002368N



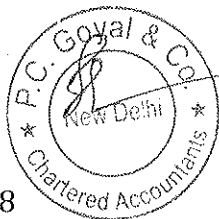
**(M.P. Jain)**

Partner

M. No. 082407

Dated: 18<sup>th</sup> May, 2018

Place: New Delhi





**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2018**  
**CIN No. U45400UP2007PLC070235**

(Amount in ₹)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	1	2,881,412,821	2,957,295,547
(b) Capital work-in-progress		10,785,237	9,283,783
(c) Other Intangible assets	2	1,754,865	2,067,016
(d) Financial Assets			
(i) Investments	3	106,002,643	113,567,257
(ii) Other Financial assets	4	102,335,566	99,697,285
(e) Deferred tax assets (net)	5	466,849,731	385,842,916
(f) Other non-current assets	6	2,833,080	-
<b>(2) Current assets</b>			
(a) Inventories	7	588,037,754	786,381,151
(b) Financial Assets			
(i) Trade receivables	8	141,773,937	302,590,609
(ii) Cash and cash equivalents	9	24,770,019	6,020,575
(iii) Bank balances other than (ii) above	10	50,619,103	102,349,755
(iv) Other Financial assets	11	2,923,864	513,232
(c) Current Tax Assets (Net)	12	76,813,002	64,133,854
(d) Other current assets	13	148,276,001	151,396,103
<b>Total Assets</b>		<b>4,605,187,623</b>	<b>4,981,139,083</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	14	305,945,030	305,945,030
(b) Other Equity		1,774,686,284	908,249,774
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	1,672,502,824	2,749,924,472
(ii) Other financial liabilities	16	100,207,540	100,000,000
(b) Provisions	17	4,100,692	3,769,009
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	260,484,094	350,748,565
(ii) Trade payables	19	121,224,246	300,643,588
(iii) Other financial liabilities	20	219,449,611	184,372,621
(b) Other current liabilities	21	146,311,506	76,997,781
(c) Provisions	22	275,796	488,243
<b>Total Equity and Liabilities</b>		<b>4,605,187,623</b>	<b>4,981,139,083</b>

Significant accounting policies and notes to the financial statements


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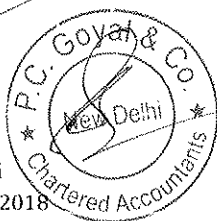
In terms of our report of even date annexed hereto

**For P.C. GOYAL & CO.**

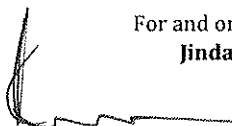
Chartered Accountants

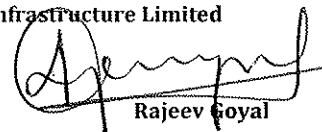
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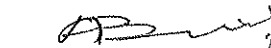
  
**M.P. JAIN**  
 Partner  
 M.No.082407  
 Place: New Delhi  
 Dated: 18<sup>th</sup> May 2018



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

**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

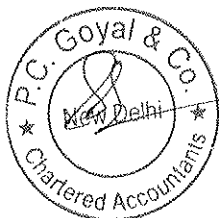
(Amount in ₹)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I Gross Revenue From Operations	23	846,176,438	1,564,473,972
II Other Income	24	42,748,952	16,820,179
III <b>Total Income (I+II)</b>		<b>888,925,390</b>	<b>1,581,294,151</b>
IV <b>EXPENSES</b>			
Cost of materials consumed	25	542,701,446	1,709,461,589
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	26	100,084,473	(155,023,186)
Employee benefit expenses	27	97,728,084	130,108,461
Finance costs	28	433,561,566	388,608,617
Depreciation and amortisation expense	29	89,608,160	95,849,193
Excise Duty		40,208,084	64,751,029
Other expenses	30	80,668,251	96,866,619
<b>Total expenses (IV)</b>		<b>1,384,560,064</b>	<b>2,330,622,322</b>
V Profit/(loss) before exceptional items and tax (III- IV)		<b>(495,634,674)</b>	<b>(749,328,171)</b>
VI Exceptional Items		-	-
VII <b>Profit/(loss) before tax (V-VI)</b>		<b>(495,634,674)</b>	<b>(749,328,171)</b>
VIII Tax expense:			
Deferred tax		(78,890,896)	(242,072,930)
IX <b>Profit/(loss) for the year (VII-VIII)</b>		<b>(416,743,778)</b>	<b>(507,255,241)</b>
X Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(a) Re-measurement gains (losses) on defined benefit plans		(41,131)	(22,209)
Income tax effect on above		11,443	7,343
(b) Equity Instruments through Other Comprehensive Income (Gain/(loss) on Fair valuation of Long Term Investment)		(7,564,614)	6,000,084
Income tax effect on above		2,104,476	(1,983,808)
<b>Total Other Comprehensive Income</b>		<b>(5,489,826)</b>	<b>4,001,410</b>
XI <b>Total Comprehensive Income for the year (IX+X)</b>		<b>(422,233,604)</b>	<b>(503,253,831)</b>
XII Earning per equity share of Face value of Rs 10/-			
(1) Basic		(13.62)	(16.58)
(2) Diluted		(13.62)	(16.58)
Significant accounting policies and notes to the financial statements	31		

In terms of our report of even date annexed hereto

**For P.C. GOYAL & CO.**  
Chartered Accountants  
Firm Registration No. 002368N

**M.P. JAIN**  
Partner  
M.No.082407  
Place: New Delhi  
Dated: 18<sup>th</sup> May 2018



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

**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018**

**A. Equity Share Capital**

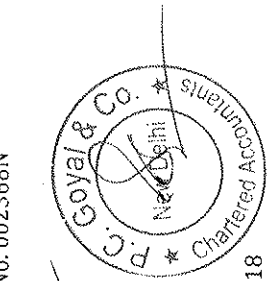
Balance as at 1st April, 2016	Changes in equity share capital during the year 2016-17	Balance as at 31st March, 2017	Changes in equity share capital during the year 2017-18	Balance as at 31st March, 2018
305,945,030	-	305,945,030	-	305,945,030

**B. Other Equity**

	Reserves and Surplus		Items of Other Comprehensive Income		Total
	Equity component of compound financial instruments	Retained Earnings	Items that will not be reclassified to Profit & Loss		
			(i) Remeasurement of Defined Benefit Plans	(ii) Equity Instruments through Other Comprehensive Income	
<b>Balance as at April 1, 2016</b>	-	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
<b>Balance as at March 31, 2017</b>	-	287,191,236	(108,208)	10,276,686	908,249,774
Loss for the year 2017-18	-	(416,743,778)	-	-	(416,743,778)
Equity Component of 0% Optionally Fully Convertible Debentures*	1,288,670,114	-	-	-	1,288,670,114
Other Comprehensive Income for the year 2017-18	-	-	(29,688)	(5,460,138)	(5,489,826)
<b>Balance as at March 31, 2018</b>	1,288,670,114	(129,552,542)	(137,896)	4,816,548	1,774,686,284

\* 19562941 0% Optionally Fully Convertible Debentures have been issued on 31st March 2018 for Rs. 1,95,62,94,100/- (face value Rs. 100 each) for 10 years with a lock in period of 2 years and an option to convert in 10 shares of Rs. 10 each not later than 9 years.

**For P.C. GOVAL & CO.**  
 Chartered Accountants  
 Firm Registration No. 002368N



*Beish*  
**M.P. JAIN**  
 Partner  
 M.No.082407  
 Place: New Delhi  
 Dated: 18<sup>th</sup> May 2018

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

*[Signature]*  
**Arun Kumar Khosla**  
 Whole Time Director  
 DIN - 00038033

*[Signature]*  
**Rajeev Goyal**  
 Director  
 DIN - 07003755

*[Signature]*  
**Ajaya Kumar Biswal**  
 CFO

**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

(Amount in ₹)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>A.</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
	Profit/(Loss) before tax	(495,634,674)	(749,328,171)
	Adjustment for:		
	Depreciation	89,608,160	95,849,193
	Interest expense	397,722,707	347,576,927
	Interest income	(11,757,544)	(13,452,766)
	<b>Working Capital Adjustment :</b>		
	(Increase)/Decrease in Trade Receivable	160,816,672	14,761,936
	(Increase)/Decrease in Loan and Advances	49,506,586	(55,144,546)
	(Increase)/Decrease in Inventories	198,343,397	(302,577,364)
	Increase/(Decrease) in Trade and other Payables	(113,011,367)	(76,360,425)
	<b>Cash Generated From Operations Before Exceptional Items</b>	<b>275,593,937</b>	<b>(738,675,216)</b>
	Tax Paid	(12,679,148)	(31,858,509)
	<b>Net cash Inflow/(Outflow) from operating activities</b>	<b>262,914,789</b>	<b>(770,533,725)</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
	Interest received	12,052,800	17,694,841
	Purchase of property, plant & equipment	(19,729,922)	(32,400,000)
	<b>Net cash Inflow/(Outflow) from investing activities</b>	<b>(7,677,122)</b>	<b>(14,705,159)</b>
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
	Proceeds from Term Loan	251,548,466	1,507,284,424
	Proceeds from short term borrowings	(90,264,471)	(146,260,141)
	Proceeds from Unsecured Loan	-	(274,573,096)
	Interest paid	(397,772,218)	(349,408,204)
	<b>Net cash Inflow/(Outflow) from financing activities</b>	<b>(236,488,223)</b>	<b>737,042,983</b>
	<b>Net increase in cash and cash equivalents</b>	<b>18,749,444</b>	<b>(48,195,901)</b>
	<b>Cash and cash equivalents (opening balance)</b>	<b>6,020,575</b>	<b>54,216,476</b>
	<b>Cash and cash equivalents (closing balance)</b>	<b>24,770,019</b>	<b>6,020,575</b>
		<b>18,749,444</b>	<b>(48,195,901)</b>

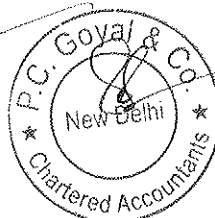
**Note:**

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

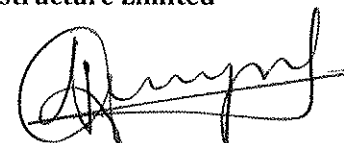
As per our report of even date  
**For P.C. GOYAL & CO.**  
Chartered Accountants  
Firm Registration No. 002368N

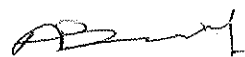
For and on behalf of the Board of Directors of  
**Jindal Rail Infrastructure Limited**

  
**M.P. JAIN**  
Partner  
M.No.082407  
Place: New Delhi  
Dated: 18<sup>th</sup> May 2018



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

  
**Rajeev Goyal**  
Director  
DIN - 07003755

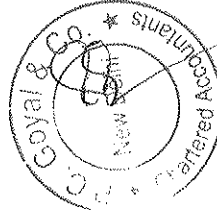
  
**Ajaya Kumar Biswal**  
CFO

**JINDAL 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, 2016	1,313,942,324	-	625,589,034	1,089,786,082	3,085,529	3,152,424	7,097,161	125,544,617	1,646,779	3,169,843,950
Additions	5,919,390	105,800	1,808,941	13,953,970	-	230,440	-	-	267,442	22,285,983
As at March 31, 2017	1,319,861,714	105,800	627,397,975	1,103,740,052	3,085,529	3,382,864	7,097,161	125,544,617	1,914,221	3,192,129,933
Additions	-	-	9,017,582	2,310,544	-	82,999	1,315,338	-	361,850	13,088,313
As at March 31, 2018	1,319,861,714	105,800	636,415,557	1,106,050,596	3,085,529	3,465,863	8,412,499	125,544,617	2,276,071	3,205,218,246
<b>Accumulated Depreciation</b>										
As at April 1, 2016	-	-	29,759,506	87,653,782	1,347,237	1,230,051	1,392,550	18,036,385	600,962	140,020,473
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	-	29,832	45,327,712	155,302,345	2,117,081	1,776,490	2,295,430	27,095,165	890,331	234,834,386
Charge for the year	-	33,503	15,805,549	61,968,341	376,283	451,861	903,908	9,058,777	372,817	88,971,039
As at March 31, 2018	-	63,335	61,133,261	217,270,686	2,493,364	2,228,351	3,199,338	36,153,942	1,263,148	323,805,425
<b>Net Carrying Amount</b>										
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
As at March 31, 2018	1,319,861,714	42,465	575,282,296	888,779,910	592,165	1,237,512	5,213,161	89,390,675	1,012,923	2,881,412,821



**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 1,2016	3,552,169	3,552,169
Additions	1,151,110	1,151,110
As at March 31, 2017	4,703,279	4,703,279
Additions	324,970	324,970
As at March 31, 2018	5,028,249	5,028,249
<b>Accumulated Depreciation</b>		
As at April 1,2016	1,600,983	1,600,983
Charge for the year	1,035,280	1,035,280
As at March 31, 2017	2,636,263	2,636,263
Charge for the year	637,121	637,121
As at March 31, 2018	3,273,384	3,273,384
<b>Net Carrying Amount</b>		
As at March 31, 2017	2,067,016	2,067,016
As at March 31, 2018	1,754,865	1,754,865



**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**Notes forming part of Balance sheet**

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
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	106,002,643	113,567,257
	<b>Total Non Current Investments</b>	<b>106,002,643</b>	<b>113,567,257</b>

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
4	<b>Other non-current financial assets</b>		
	- Security Deposits		
	Unsecured, Considered good	287,000	3,708,633
	Fixed Deposits with bank with remaining maturity more than 12 months*	102,048,566	95,988,652
	<b>Total Other non-current financial assets</b>	<b>102,335,566</b>	<b>99,697,285</b>

\*Pledged with bank as margin against bank gurantees

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
5	<b>DEFERRED TAX ASSETS</b>		
(A)	<b>Deferred Tax Liability</b>		
	Difference between book and tax base related to Fixed assets	208,274,033	236,569,423
(B)	<b>Deferred Tax Assets</b>		
	Carried forward losses/allowances	673,906,225	621,004,764
	Disallowance under Income Tax Act, 1961	1,217,539	1,407,575
	Total Deferred Tax assets	675,123,764	622,412,339
	<b>Net Deferred Tax Asset (B-A)</b>	<b>466,849,731</b>	<b>385,842,916</b>

(Amount in ₹)

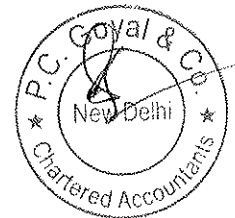
	Particulars	As at March 31, 2018	As at March 31, 2017
6	<b>Other non-current assets</b>		
	Capital Advances		
	Unsecured, Considered good	2,833,080	-
	<b>Total Other non-Current Assets</b>	<b>2,833,080</b>	<b>-</b>

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
7	<b>Inventories</b>		
	Raw Materials	123,990,339	225,097,547
	Work-in-progress	436,941,801	509,665,984
	Finished Goods	-	28,914,850
	Store and Spares	20,817,614	22,702,770
	Scrap	6,288,000	-
	<b>Total Inventories</b>	<b>588,037,754</b>	<b>786,381,151</b>

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
8	<b>Trade receivables</b>		
	Unsecured, Considered good	141,773,937	302,590,609
	Unsecured, Considered doubtful	27,032,533	27,032,533
	Less: Provision for Doubtful Debts	(27,032,533)	(27,032,533)
	<b>Total Trade Receivables</b>	<b>141,773,937</b>	<b>302,590,609</b>



**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**Notes forming part of Balance sheet**

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
9	<b>Cash and Cash Equivalents</b>		
	<b>Balances with Banks</b>		
	On current accounts	17,358,320	5,465,442
	Fixed Deposits with original maturity of less than 3 months	7,147,023	-
	Cash on hand	264,676	555,133
	<b>Total Cash and Cash Equivalents</b>	<b>24,770,019</b>	<b>6,020,575</b>

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
10	<b>Other Bank Balances</b>		
	Fixed Deposits with remaining maturity of less than 12 months and other than considered in cash and cash equivalents *	50,619,103	102,349,755
	<b>Total Other Bank Balances</b>	<b>50,619,103</b>	<b>102,349,755</b>

\*Pledged with bank as margin against bank guarantees

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
11	<b>Other Current Financial Assets</b>		
	Interest accrued on Fixed Deposit	193,346	488,602
	Insurance Claim receivable	498,894	24,630
	Derivative Financial Assets	2,231,624	-
	<b>Total Other Current Financial assets</b>	<b>2,923,864</b>	<b>513,232</b>

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
12	<b>Current Tax Assets (Net)</b>		
	Advance Taxation(net)	76,813,002	64,133,854
	<b>Total Current Tax Assets (Net)</b>	<b>76,813,002</b>	<b>64,133,854</b>

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
13	<b>Other current assets</b>		
	Unsecured, Considered good		
	Other Receivables *	105,863,779	94,237,495
	Advance to vendor	42,412,222	57,158,608
	<b>Total Other current assets</b>	<b>148,276,001</b>	<b>151,396,103</b>

\*includes goods and service tax, etc.

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
14	<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
	Shares outstanding at the end of the year	30,594,503	30,594,503

**(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 2018		As at 31st March 2017	
	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%

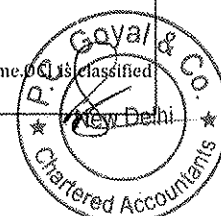
\* including 700 Shares (Previous year 700 shares) held by Person/companies as nominee of JITF Urban Infrastructure Services Ltd.

**(e) Terms/Rights attached to Equity Shares**

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 per share.
--

**(f) Nature and Purpose of Reserves**

Security premium reserve is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account and can use this reserve for buy-back of shares.
Retained Earnings represent the undistributed profits of the Company
Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in Other Comprehensive Income. (i) Items that will not be reclassified to profit and loss ii). Items that will be reclassified to profit and loss.





**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**Notes forming part of Balance sheet**

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
15	<b>Non -Current Borrowings</b>		
	<b>SECURED</b>		
	<b>RUPEE TERM LOAN</b>		
	From Others (IFCI Limited)*#	943,438,640	1,140,319,563
	<b>Unsecured considered good**</b>		
	-JITF Urban Infrastructure Services Limited	-	1,553,813,583
	-Jindal ITF Limited	61,440,198	55,791,326
	Debt Component of 0% Optionally Fully Convertible Debentures( 0% OFCD)##	667,623,986	-
	<b>Total Non-Current Borrowings</b>	<b>1,672,502,824</b>	<b>2,749,924,472</b>

\*Term loan from IFCI Limited Sanctioned and disbursed Amount Rs 96,25,00,000 carries interest @ 11.95% 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 and disbursed Amount Rs 53,75,00,000 carries interest @ 11.95% p.a. repayable in 30 structured installments from February,2018 as follows: FY 2018-19 Rs 5,37,50,000 FY 2019-20 Rs 6,18,12,500, FY 2020-21 Rs 8,06,25,000 FY 2021-22 to FY 2022-23 Rs8,60,00,000 each year,FY 2023-24 Rs 7,18,90,625,FY 2024-25 Rs6,71,87,500 and FY 2025-26 Rs 1,67,96,875 .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, the 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 Guarantee of Mr. Indresh Batra and Ms. Sminu Jindal.

Loan is net of amortisation cost

## 19562941 0% Optionally Fully Convertible Debentures have been issued on 31st March 2018 for Rs. 1,95,62,94,100/- (face value Rs. 100 each) for 10 years with a lock in period of 2 years and an option to convert in 10 shares of Rs. 10 each not later than 9 years.

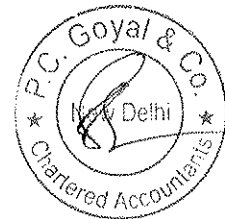
There is no default in repayment of principal and interest thereon.

\*\*Loan is repayable after 5 year starting from the date of agreement i.e 30th March 2018 and carries interest @ 11.35% to 12.25% p.a

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
16	<b>Other Financial Liabilities (non Current)</b>		
	Others payable*	100,000,000	100,000,000
	Provision for interest on 0% OFCD	207,540	-
	<b>Total Other Financial Liabilities</b>	<b>100,207,540</b>	<b>100,000,000</b>

\*Payable against contractual obligation



**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**Notes forming part of Balance sheet**

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
17	<b>PROVISIONS</b>		
	For Employee Benefits		
	Gratuity	278,214	202,846
	Leave Encashment	3,822,478	3,566,163
	<b>Total Non-Current Provisions</b>	<b>4,100,692</b>	<b>3,769,009</b>

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
18	<b>CURRENT BORROWINGS</b>		
	<b>SECURED CURRENT BORROWINGS</b>		
	Working Capital Facility from Bank*	260,484,094	350,748,565
	<b>Total Current Borrowings</b>	<b>260,484,094</b>	<b>350,748,565</b>

\*Secured by hypothecation of current assets, comprising of stocks of raw materials, stores and spares, consumables, work 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 ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
19	<b>TRADE PAYABLES*</b>		
	Dues to other than Micro and Small enterprises	121,224,246	300,643,588
	<b>Total Trade Payables</b>	<b>121,224,246</b>	<b>300,643,588</b>

\*There are no Micro and Small Enterprises, to whom the Company owes dues as at 31st March 2018. This Information as Required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been Determined to the extent such Parties have been Identified on the basis of information available with the Company.

(Amount in ₹)

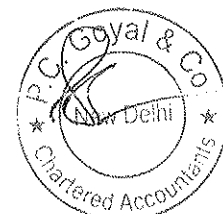
	Particulars	As at March 31, 2018	As at March 31, 2017
20	<b>Other Financial Liabilities</b>		
	Current maturities of Long term debt	207,750,000	167,450,000
	Interest Accrued but not due	6,483,024	6,532,535
	Capital Creditors	-	1,982,105
	Due to Related Parties	1,224,425	1,087,936
	Due to others	3,461,071	7,320,045
	Due to Employees	531,091	-
	<b>Total Other Financial Liabilities</b>	<b>219,449,611</b>	<b>184,372,621</b>

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
21	<b>OTHER CURRENT LIABILITIES</b>		
	Advance from Customers	50,651	1,227,344
	Mobilisation Advance from Customers	125,414,070	56,661,647
	<b>Other Payables</b>		
	Statutory Dues	20,846,785	19,108,790
	<b>Total Other Current Liabilities</b>	<b>146,311,506</b>	<b>76,997,781</b>

(Amount in ₹)

	Particulars	As at March 31, 2018	As at March 31, 2017
22	<b>Provisions</b>		
	For Employee Benefits		
	Gratuity	29,069	23,163
	Leave Encashment	246,727	465,080
	<b>Total Current Provisions</b>	<b>275,796</b>	<b>488,243</b>



**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**Notes forming part of Statement of Profit and Loss**

(Amount in ₹)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
23	<b>Revenue from Operations</b> <b>Domestic Sales</b> Sale of Products-Railway wagons and Parts	846,176,438	1,564,473,972
	<b>Total Revenue from Operations</b>	<b>846,176,438</b>	<b>1,564,473,972</b>

(Amount in ₹)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
24	<b>Other Income</b> Interest on Fixed Deposit Interest on Income Tax Refund Miscellaneous Income Net Gain/(Loss) from fair valuation of Derivative Scrap Sale	11,757,544 - 3,221,151 2,231,624 25,538,633	13,110,222 342,544 1,372,673 - 1,994,740
	<b>Total Other Income</b>	<b>42,748,952</b>	<b>16,820,179</b>

(Amount in ₹)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
25	<b>Cost of Materials Consumed</b> Raw Materials consumed	542,701,446	1,709,461,589
	<b>Total Raw Materials Consumed</b>	<b>542,701,446</b>	<b>1,709,461,589</b>

(Amount in ₹)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
26	<b>Changes in inventories of finished goods, work in process and Stock-in-trade</b>		
	<b>Opening Stock</b>		
	Work-in-progress	509,665,984	382,003,088
	Finished Goods	28,914,850	-
	<b>Total Opening Stock</b>	<b>538,580,834</b>	<b>382,003,088</b>
	<b>Closing Stock</b>		
	Work-in-progress	436,941,801	509,665,984
	Finished Goods	-	28,914,850
	<b>Total Closing Stock</b>	<b>436,941,801</b>	<b>538,580,834</b>
	<b>Net (Increase)/Decrease in Stock</b>	<b>101,639,033</b>	<b>(156,577,746)</b>
	Excise duty on account of increase/(decrease) on stock of finished goods	(1,554,560)	1,554,560
	<b>Total (Increase)/Decrease in Stock</b>	<b>100,084,473</b>	<b>(155,023,186)</b>

(Amount in ₹)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
27	<b>Employee Benefits Expense</b> Salary and wages Contribution to Provident and other Funds Workmen and staff Welfare	92,861,379 3,123,597 1,743,108	125,287,051 2,814,162 2,007,248
	<b>Total Employee Benefits Expense</b>	<b>97,728,084</b>	<b>130,108,461</b>



**JINDAL RAIL INFRASTRUCTURE LIMITED**  
**Notes forming part of Statement of Profit and Loss**

(Amount in ₹)

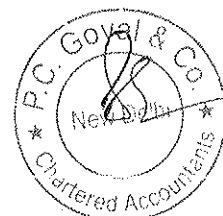
	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
28	<b>Finance Costs</b>		
	Interest on Term Loan	153,203,709	182,663,910
	Interest on Bank Borrowings	52,960,842	64,266,870
	Interest on Inter Corporate Loan	191,558,156	100,646,147
	Bank and Finance Charges	35,631,319	41,031,690
	Interest on fair valuation of financial Instrument	207,540	-
	<b>Total Finance Costs</b>	<b>433,561,566</b>	<b>388,608,617</b>

(Amount in ₹)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
29	<b>Depreciation and Amortisation Expense</b>		
	Depreciation	88,971,039	94,813,913
	Amortisation	637,121	1,035,280
	<b>Total Depreciation and amortisation expense</b>	<b>89,608,160</b>	<b>95,849,193</b>

(Amount in ₹)

	Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
30	<b>Other Expenses</b>		
	Store and Spares Consumed	4,816,239	11,234,087
	Power and Fuel	9,677,464	11,842,241
	Job Work Charges	647,757	2,980,888
	Repairs to Plant and Machinery	11,905,603	19,485,733
	Repairs to Buildings	2,590,826	7,105,752
	Other Manufacturing Expenses	1,347,998	3,842,008
	Travelling and Conveyance	6,039,486	4,327,734
	Insurance	3,400,551	2,794,368
	Auditor Remuneration		
	-As Audit Fees	27,600	27,480
	-As Tax Audit Fees	25,740	13,740
	Cost Audit remuneration	-	50,000
	Legal and Professional	15,634,842	10,079,886
	Communication costs	1,264,678	2,028,478
	Rates and Taxes	1,875,006	3,006,116
	Rent	486,000	521,000
	Repair and Maintenance - Others	2,914,209	2,333,660
	Director Sitting Fees	75,000	183,448
	Vehicle Upkeep and Maintenance	5,155,476	2,100,545
	Security Charges	3,486,725	2,724,073
	Printing and Stationery	147,573	158,130
	Fees and Subscription	155,437	99,351
	Books and periodicals	7,605	3,500
	Advertisement Expenses	43,000	37,500
	Business Promotion	988,408	1,431,781
	Forwarding Charges	15,790	10,042
	Commission	-	5,000
	Miscellaneous Expenses	7,939,238	8,440,078
	<b>Total Other Expenses</b>	<b>80,668,251</b>	<b>96,866,619</b>



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-31

#### 31.1 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.

#### 31.2 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. 31.3 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. 31.4 on critical accounting estimates, assumptions and judgements).

#### 31.3. Significant Accounting Policies

##### 31.3.1 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,

##### 31.3.2 Property, Plant and equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, If any. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Category of Assets	Years
- 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-31

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.

#### 31.3.3 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.

#### 31.3.4 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.

#### 31.3.5 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.

#### 31.3.6 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.

#### 31.3.7 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-31

#### 31.3.8 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.

#### 31.3.9 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.

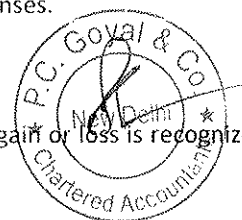
Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

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

### Note-31

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.

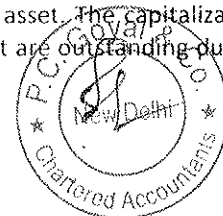
#### **31.3.10 Equity share capital**

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.

#### **31.3.11 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

### Note-31

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.

#### 31.3.12 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.

#### 31.3.13 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.

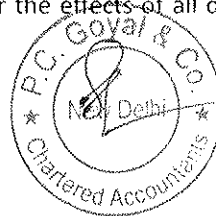
##### **Dividend**

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

#### 31.3.14 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 equity shares, if any.



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-31

#### 31.3.15 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 31.3.7 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.

#### 31.3.16 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.

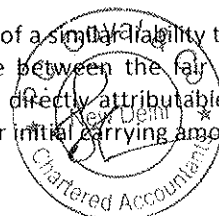
All other liabilities are classified as non-current.

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.

#### 31.3.17 Compound financial instruments

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



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-31

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

#### 31.3.18 Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

#### 31.3.19 Recent accounting pronouncements

Standards issued but not yet effective

Revenue from Contracts with Customers

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

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

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

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

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

#### 31.4. 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

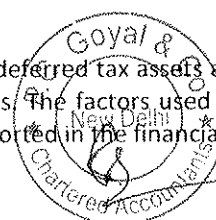
External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

##### (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.



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-31

#### *(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.

### **31.5. Financial risk management**

#### **31.5.1 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**

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, 2018 and March 31, 2017.

#### **ii) Credit risk**

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

#### **iii) Liquidity risk.**

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

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



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-31

#### 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, 2018 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 ₹)		
Particulars	Increase/ Decrease in basis points	Effect on Profit before tax
<b>For the year ended March 31, 2018</b>		
INR Borrowing	+50	(5,567,795)
	-50	5,567,795
<b>For the year ended March 31, 2017</b>		
INR Borrowing	+50	(7,984,359)
	-50	7,984,359

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

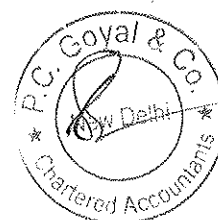
#### (c) Commodity price risk and sensitivity

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



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-31

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:

(Amount in ₹)

Particulars	Not due	Past Due			Total
		upto 6 months	6 to 12 months	Above 12 months	
<b>Trade Receivable</b>					
<b>As at March 31, 2018</b>					
-Unsecured considered good	-	15,008,258	21,765,679	105,000,000	141,773,937
Considered Doubtful	-	-	-	27,032,533	27,032,533
Provision for doubtful receivables	-	-	-	(27,032,533)	(27,032,533)
<b>Total</b>	<b>-</b>	<b>15,008,258</b>	<b>21,765,679</b>	<b>105,000,000</b>	<b>141,773,937</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 for doubtful receivables	-	-	-	(27,032,533)	(27,032,533)
<b>Total</b>	<b>-</b>	<b>197,528,794</b>	<b>-</b>	<b>105,061,815</b>	<b>302,590,609</b>

- Financial instruments and cash deposits

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

#### Liquidity risk

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

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

(Amount in ₹)

Particular	As at March 31, 2018					
	Carrying Amount	On Demand	Less Than 6 Months	6 to 12 Months	>1 Years	Total
Interest Bearing Borrowing	2,140,736,918	-	103,875,000	364,359,094	1,672,502,824	2,140,736,918
Other Liabilities	111,907,151	1,224,425	10,475,186	-	100,207,540	111,907,151
Trade And Other Payables	121,224,246	-	121,224,246	-	-	121,224,246
<b>Total</b>	<b>2,373,868,315</b>	<b>1,224,425</b>	<b>235,574,432</b>	<b>364,359,094</b>	<b>1,772,710,364</b>	<b>2,373,868,315</b>

(Amount in ₹)

Particular	As at March 31, 2017					
	Carrying Amount	On Demand	Less Than 6 Months	6 to 12 Months	>1 Years	Total
Interest Bearing Borrowing	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>

# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-31

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 Borrowing	Floating rate borrowing	Fixed rate borrowing	Weighted Average rate
INR	2,140,736,918	1,411,672,734	729,064,184	
<b>Total as at March 31, 2018</b>	<b>2,140,736,918</b>	<b>1,411,672,734</b>	<b>729,064,184</b>	<b>11.88%</b>
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>

#### 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.

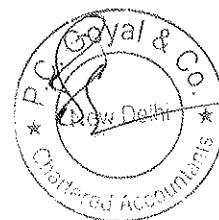
#### Capital risk management

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, 2018 and March 31, 2017.

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.

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

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



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-31

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Loans And Borrowings	2,140,736,918	3,268,123,037
Less: Cash And Cash Equivalents	24,770,019	6,020,575
Net Debt	2,115,966,899	3,262,102,462
Equity	2,080,631,314	1,214,194,804
Total Capital	4,196,598,213	4,476,297,266
<b>Gearing Ratio</b>	<b>50.42%</b>	<b>72.88%</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.

#### 31.6. Fair value of financial assets and liabilities

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

(Amount in ₹)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial assets designated at fair value through profit and loss</b>				
Forward Contract	2,231,624	2,231,624	-	-
<b>Financial assets designated at amortised cost</b>				
Fixed deposits with banks	152,667,669	152,667,669	198,338,407	198,338,407
Cash and bank balances	24,770,019	24,770,019	6,020,575	6,020,575
Investment	106,002,643	106,002,643	113,567,257	113,567,257
Trade and other receivables	141,773,937	141,773,937	302,590,609	302,590,609
Other financial assets	979,240	979,240	4,221,865	4,221,865
<b>Total</b>	<b>428,425,132</b>	<b>428,425,132</b>	<b>624,738,713</b>	<b>624,738,713</b>
<b>Financial liabilities designated at amortised cost</b>				
Borrowings- fixed rate	729,064,184	729,064,184	1,609,604,909	1,609,604,909
Borrowings- floating rate	1,411,672,734	1,411,672,734	1,658,518,128	1,658,518,128
Trade and other payables	121,224,246	121,224,246	300,643,588	300,643,588
Other financial liabilities	111,907,151	111,907,151	116,922,621	116,922,621
<b>Total</b>	<b>2,373,868,315</b>	<b>2,373,868,315</b>	<b>3,685,689,246</b>	<b>3,685,689,246</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.





# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-31

- 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.

#### 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 NAV (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 (accounted).

(Amount in ₹)

Particulars	As at March 31, 2018		
	Level 1	Level 2	Level 3
Financial assets Non Current Investment		106,002,643	

(Amount in ₹)

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



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-31

Assets / Liabilities for which fair value is disclosed:

(Amount in ₹)

Particulars	As at March 31, 2018		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Borrowings- fixed rate		729,064,184	
Other financial liabilities		111,907,151	

(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	

During the year ended March 31, 2018 and March 31, 2017, 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, 2018 and March 31, 2017, 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

### 31.7. 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-31**

(Amount in ₹)

Particulars	2017-18			2016-17		
	Within India	Outside India	Total	Within India	Outside India	Total
Gross Revenue from Operations	846,176,438	-	846,176,438	1,564,473,972	-	1,564,473,972
Non current Assets	2,896,786,003	-	2,896,786,003	2,968,646,346	-	2,968,646,346

**31.8. Income tax expense**

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Deferred Tax		
-Relating to origination & reversal of temporary differences	140,076,343	242,072,930
-Relating to Change in tax rate	(61,185,447)	-
<b>Total Tax (expense)/income</b>	<b>78,890,896</b>	<b>242,072,930</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	Year ended March 31, 2018	Year ended March 31, 2017
	Net Loss(Income) before taxes	495,634,674	749,328,171
	Enacted tax rates	27.820%	33.063%
	Computed tax Income (expense)	137,885,566	247,750,373
	<b>Increase/(reduction) in taxes on account of:</b>		
1	Deferred Tax of previous years	1,632,438	(3,138,365)
2	Other non deductible expenses	558,339	(2,539,078)
3	Effect of change in tax rate	(61,185,447)	-
	<b>Income tax expense reported</b>	<b>78,890,896</b>	<b>242,072,930</b>

**31.9. Deferred Income Tax**

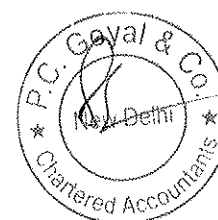
Major component of deferred tax provided for in statement of Profit and Loss Account

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Book base and tax base of Fixed Assets	28,295,390	(6,722,534)
(Disallowance)/Allowance(net) under Income Tax	(190,036)	347,138
Brought forward losses set off	50,785,542	248,448,326
<b>Total</b>	<b>78,890,896</b>	<b>242,072,930</b>

(Amount in ₹)

Description	Year ended March 31, 2018	Year ended March 31, 2017
<b>Component of OCI</b>		
Deferred Tax (Gain)/Loss on defined benefit	(11,443)	(7,343)
Deferred Tax (Gain)/Loss on fair valuation on equity Instrument	(2,104,476)	1,983,808



**Jindal Rail Infrastructure Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**Note-31**

**31.10. Retirement benefit obligations**

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

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Company's contribution to provident fund	2,887,332	2,577,271
Company's contribution to ESI	-	-
Company's contribution to superannuation fund	-	-
<b>Total</b>	<b>2,887,332</b>	<b>2,577,271</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, 2018 and March 31, 2017, being the respective measurement dates:

**2. Movement in defined benefit obligation**

(Amount in ₹)

Particulars	Gratuity (funded)	leave encashment (unfunded)
<b>Present value of obligation - April 1, 2016</b>	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
<b>Present value of obligation - March 31, 2017</b>	<b>4,922,964</b>	<b>4,031,243</b>
<b>Present value of obligation - April 1, 2017</b>	4,922,964	4,031,243
Current service cost	902,324	-
Interest cost	381,530	312,421
Benefits paid	(48,772)	(1,449,723)
Acquisitions / Transfer in/ Transfer out	-	-
Past Service Cost	419,320	-
Remeasurements - actuarial loss/ (gain)	47,866	1,175,264
<b>Present value of obligation - March 31, 2018</b>	<b>6,625,232</b>	<b>4,069,205</b>

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

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Fair value of plan assets at beginning of year	4,696,955	3,506,298
Expected return on plan assets	350,967	262,972
Employer contributions	1,086,056	873,311
Benefits paid	(48,772)	-
Amount received on redemption of plan assets	-	-
Acquisitions / Transfer in/ Transfer out	-	-
Actuarial gain / (loss)	6,735	54,375
Fair value of plan assets at end of year	6,091,941	4,696,956
Present value of obligation	6,625,232	4,922,964
Net funded status of plan	(533,292)	(226,009)
Actual return on plan assets	357,701	317,347

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



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-31

#### 4. Recognised in profit and loss

Particulars	(Amount in ₹)	
	Gratuity	Compensated absence
Current Service cost	897,504	857,760
Interest cost	275,503	228,019
Expected return on plan assets	(262,972)	-
Remeasurement - Actuarial loss/(gain)	-	663,548
Past service cost		
<b>For the year ended March 31, 2017</b>	<b>910,035</b>	<b>1,749,327</b>
Current Service cost	902,324	-
Interest cost	381,530	312,421
Expected return on plan assets	(350,967)	-
Remeasurement - Actuarial loss/(gain)	-	1,175,264
Past service cost	419,320	
<b>For the year ended March 31, 2018</b>	<b>1,352,207</b>	<b>1,487,685</b>
Actual return on plan assets	357,701	

#### 5. Recognised in other comprehensive income

Particulars	(Amount in ₹)	
	Gratuity	
Remeasurement - Actuarial loss/(gain)	22,209	
For the year ended March 31, 2017	22,209	
Remeasurement - Actuarial loss/(gain)	41,131	
For the year ended March 31, 2018	41,131	

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

Weighted average actuarial assumptions	As at	As at
	March 31, 2018	March 31, 2017
Attrition rate		
Discount Rate	7.75% PA	8.00% PA
Expected Rate of increase in Compensation levels	6.50% PA	6.50% PA
Expected Rate of Return on Plan Assets	7.50% PA	8.00% PA
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of employees (years)	22.08	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.

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

Particulars	(Amount in ₹)	
	Gratuity	
01 Apr 2018 to 31 Mar 2019	1,026,533	
01 Apr 2019 to 31 Mar 2020	478,384	
01 Apr 2020 to 31 Mar 2021	536,412	
01 Apr 2021 to 31 Mar 2022	192,245	
01 Apr 2022 to 31 Mar 2023	317,069	
01 Apr 2023 Onwards	4,751,333	

#### 7. Statement of Employee benefit provision

Particulars	(Amount in ₹)	
	Year ended	Year ended
	March 31, 2018	March 31, 2017
Gratuity	307,283	226,009
Compensated absences	4,069,205	4,031,243
<b>Total</b>	<b>4,376,488</b>	<b>4,257,252</b>

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



# Jindal Rail Infrastructure Limited

## Significant Accounting Policies and Notes to Financial Statements

### Note-31

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

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>

For the year ended March 31, 2018 (Amount in ₹)

Particulars	Gratuity	Leave Encashment
Current provision	29,069	246,727
Non current provision	278,214	3,822,478
<b>Total Provision</b>	<b>307,283</b>	<b>4,069,205</b>

#### 9. Employee benefit expenses

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	92,861,379	125,287,051
Costs-defined contribution plan	3,123,597	2,814,162
Welfare expenses	1,743,108	2,007,248
<b>Total</b>	<b>97,728,084</b>	<b>130,108,461</b>

( Figures in no.)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Average no of people employed	90	88

#### 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-31**

**31.11. Other disclosures**

**a) Auditors Remuneration**

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>1. Statutory Auditors</b>		
i. Audit Fee	27,600	27,480
ii. Tax Audit Fee	-	13,740
<b>Total</b>	<b>27,600</b>	<b>41,220</b>
<b>2. Cost Auditors</b>		
i. Audit Fee	-	50,000
<b>Total</b>	<b>-</b>	<b>50,000</b>

**31.12. Contingent liabilities**

(Amount in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Gurantees issued by the company's bankers on behalf of the company	312,365,118	557,307,070
Letter of Credit Outstanding	307,998,136	326,908,757
<b>Total</b>	<b>620,363,254</b>	<b>884,215,827</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.

**31.13. 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, 2018	Year Ended March 31, 2017
Short-Term employee benefits	11,136,677	8,337,206
- Defined contribution plan	582,478	416,696
- Defined benefit plan	266,778	-
<b>Total</b>	<b>11,985,933</b>	<b>8,753,902</b>

**1. Key Managerial personnel**

S. No.	Name	Particulars
1	Ms. Sminu Jindal	Director
2	Mr. Arun Kumar Khosla	Whole Time Director
3	Mr. Pawan Kumar Agarwal (w.e.f 04.08.2017)	Whole Time Director
4	Mr. Dhananjaya Pati Tripathi	Independent Director
5	Mr. Rajeev Goyal	Director
6	Mr. Ajaya Kumar Biswal	CFO



**Jindal Rail Infrastructure Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**Note-31**

**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	Fellow Step Down Subsidiary
16	Jindal Urban Waste Management (Jodhpur) Limited	Fellow Step Down Subsidiary
17	Jindal Urban Waste Management (Ahmedabad) Limited	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 Commodity Tradex 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-31

#### Related Party Transactions

(Amount in ₹)

Description	Parent Company		Fellow/ Step Down Subsidiary		Entities falling under same promoter group	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
<b>Loan taken during the year</b>						
Glebe Trading Private Limited	-	-	-	-	7,300,000	-
JITF Urban Infrastructure Services Limited	697,231,024	1,828,200,000	-	-	-	-
<b>Loan repaid during the year</b>						
Glebe Trading Private Limited	-	-	-	-	7,300,000	-
JITF Urban Infrastructure Services Limited	461,500,000	578,000,000	-	-	-	-
<b>Expense reimbursed/ to be reimbursed</b>						
JITF Water Infrastructure Limited	-	-	21,450	435,319	-	-
Jindal Saw Limited	-	-	-	-	-	787,321
<b>Purchase of Services</b>						
JITF Infralogistics Limited	7,553,551	-	-	-	-	-
<b>Interest Expenses on Loan</b>						
Interest Expenses in 0% OFCD	207,540	-	-	-	-	-
Jindal ITF Limited	-	-	-	-	6,276,524	6,133,125
JITF Urban Infrastructure Services Limited	185,277,232	94,513,022	-	-	-	-

#### Related Party Balances

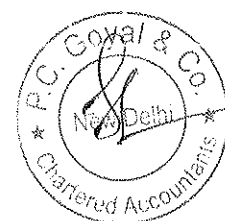
(Amount in ₹)

Description	Parent Company		Entities falling under same promoter group	
	As at 31st March 2018	As at 31st March 2017	As at 31st March 2018	As at 31st March 2017
<b>Share Capital including share premium</b>				
JITF Urban Infrastructure Services Limited	916,835,090	916,835,090	-	-
<b>Loan Amount Payable</b>				
Jindal ITF Limited	-	-	61,440,198	55,791,326
JITF Urban Infrastructure Services Limited	-	1,553,813,583	-	-
<b>0% Optionally Fully Convertible Debentures</b>				
Equity Component 0% OFCD in JUISL	1,288,670,114	-	-	-
Debt Component 0% OFCD in JUISL (Loan Converted into 0% OFCD)	667,623,986	-	-	-
<b>Payables</b>				
Interest Payable in 0% OFCD	207,540	-	-	-
<b>Amount Payable</b>				
Jindal Saw Limited	-	-	-	187,936
Glebe Trading Private Limited	-	-	3,960	-
JITF Infralogistics Limited	1,220,465	-	-	-
Jindal ITF Limited	-	-	-	900,000

#### 31.14. Earnings per share-

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

Particulars	(Number of shares)	
	Year ended March 31, 2018	Year ended March 31, 2017
Issued equity shares	30,594,503	30,594,503
Weighted average shares outstanding - Basic and Diluted - A	30,594,503	30,594,503



**Jindal Rail Infrastructure Limited**  
**Significant Accounting Policies and Notes to Financial Statements**  
**Note-31**

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit and loss after tax - B	(416,743,778)	(507,255,241)
Basic and Diluted Earnings per share (B/A)	(13.62)	(16.58)
Restated Basic and Diluted Earnings per share (B/A)	(13.62)	(16.58)

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

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

32. Notes 1 to 31 are annexed and form integral part of Financial Statements.

As per our report of even date attached

For **P.C. Goyal & Co.**

Chartered Accountants

Firm Registration No. 002368N



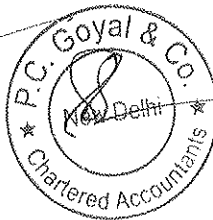
**M.P. Jain**

Partner

M.No. 082407

Place : New Delhi

Dated :18<sup>th</sup> May 2018



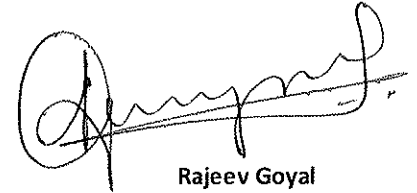

**Arun Kumar Khosla**

Whole Time Director

DIN - 00038033

For and on behalf of Board of Directors of

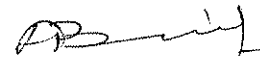
**Jindal Rail Infrastructure Limited**



**Rajeev Goyal**

Director

DIN - 07003755



**Ajaya Kumar Biswal**

CFO