

## **INDEPENDENT AUDITORS' REPORT**

To  
**The Members of JINDAL URBAN WASTE MANAGEMENT (VISAKHAPATNAM) LIMITED**

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

#### **Opinion**

We have audited the accompanying financial statements of **JINDAL URBAN WASTE MANAGEMENT (VISAKHAPATNAM) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



Based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

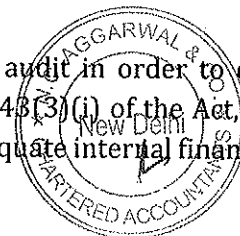
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.



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

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 including Other Comprehensive Income, 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 'B'**.

(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 March 31, 2019;

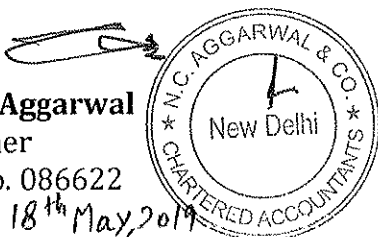
ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(h) The managerial remuneration for the year ended 31st March, 2019 has not been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

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

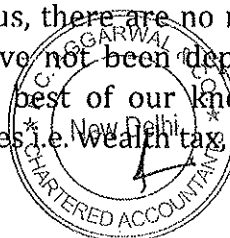
**G. K. Aggarwal**  
Partner  
M. No. 086622  
Date: 18<sup>th</sup> May, 2019  
Place: New Delhi



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

(Annexure referred to in our report of even date to the members of **JINDAL URBAN WASTE MANAGEMENT (VISAKHAPATNAM) LIMITED** on the accounts for the year ended March 31, 2019)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The fixed assets of the Company have been physically verified by the management during the year and we are informed that no serious discrepancies have been noticed by the management on such verification.  
  
(c) The Company does not own any immovable property. Hence, para 1(c) of the order for reporting on title deed of immovable property held in name of the Company is not applicable.
2. The company does not have inventory. Accordingly, the provision of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.
4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.
5. According to the information given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.
6. To the best of our knowledge and as explained, the maintenance of cost records as specified by the Central Government under sub-section (l) of section 148 of the Companies Act, 2013 is not applicable to the company.
7. a) Undisputed statutory dues including provident fund, employee' state insurance, income tax, duty of customs, goods & services tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, there are no material dues in respect of income tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute. To the best of our knowledge and as explained, the Company does not have any other statutory dues i.e. wealth tax, duty of customs as mentioned in para (vii) (b) of the Order.




8. According to the records of the Company examined by us and the information and explanations given to us, the Company has taken loans or borrowing from financial institution and has not defaulted in repayment of dues to financial institution.
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. The Company has not paid any managerial remuneration under the provisions of Section 197 read with Schedule V of the Companies Act, 2013. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.
12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Act, and where applicable the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. The Company has made preferential allotment or private placement of equity shares during the year in compliance with the provision of Section 42 and section 62 of the Companies Act, 2013 and the amount raised have been used for the purpose for which the funds were raised. However the Company has not made any private placement of partly or fully convertible debentures.
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 N.C. Aggarwal & Co.**

Chartered Accountants

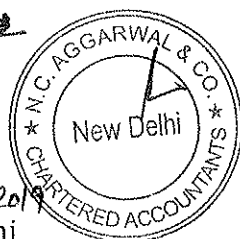
Firm Registration No. 003273N

  
**G. K. Aggarwal**  
Partner

M. No. 086622

Date: 18<sup>th</sup> May, 2019

Place: New Delhi



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

Annexure referred to in our report of even date to the members of **JINDAL URBAN WASTE MANAGEMENT (VISAKHAPATNAM) LIMITED** on the accounts for the year ended 31<sup>st</sup> March, 2019

**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 URBAN WASTE MANAGEMENT (VISAKHAPATNAM) LIMITED** ("the Company") as of 31<sup>st</sup> March, 2019 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**

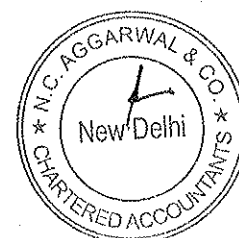
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over 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, 2019, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

Chartered Accountants

Firm Registration No. 003273N

  
**G. K. Aggarwal**

Partner

M. No. 086622

Date: 18<sup>th</sup> May, 2019

Place: New Delhi





# Jindal Urban Waste Management (Visakhapatnam) Limited

BALANCE SHEET AS AT MARCH 31, 2019

CIN No.U40300UP2015PLC075377

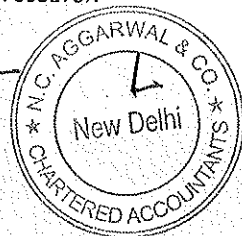
(Amount in ₹)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
(1) <b>Non-current assets</b>			
(a) Property, Plant and Equipment	1	9,95,258	8,75,491
(b) Capital work-in-progress		1,22,20,89,611	12,59,66,488
(c) Intangible assets	2	4,77,544	44,113
(d) Financial Assets			
(i) Other financial assets	3	4,59,600	1,30,600
(e) Other non-current assets	4	6,61,52,454	13,98,14,740
(2) <b>Current assets</b>			
(a) Financial Assets			
(i) Cash and cash equivalents	5	9,13,41,540	27,40,747
(ii) Other financial assets	6	19,10,514	
(b) Current tax assets (Net)	7	1,59,258	
(c) Other current assets	8	1,50,89,006	43,33,231
<b>TOTAL ASSETS</b>		<b>1,39,86,74,785</b>	<b>27,39,05,410</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	9	4,41,89,990	2,56,99,990
(b) Other Equity	10	39,16,81,463	22,57,81,145
<b>Liabilities</b>			
(1) <b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	80,26,70,356	
(b) Provisions	12	20,67,263	5,23,895
(2) <b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	3,53,21,127	1,08,83,864
(ii) Trade payables	14		
- Micro Enterprises and Small Enterprises		19,21,662	
- Other than Micro and Small Enterprises		2,53,06,386	64,74,070
(iii) Other financial liabilities	15	9,33,42,073	19,77,775
(b) Other current liabilities	16	20,63,289	25,49,399
(c) Provisions	17	1,11,176	15,272
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,39,86,74,785</b>	<b>27,39,05,410</b>
<b>Significant accounting policies and notes to financial statements</b>	20		

As per our report of even date attached

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

G.K. Aggarwal  
Partner  
M.No. 086622  
Place : New Delhi  
Dated : 18th May 2019



For and on behalf of the Board of Directors of  
Jindal Urban Waste Management (Visakhapatnam) Limited

Umesh Chopra  
Director  
DIN - 05277483

Neelesh Gupta  
Director  
DIN - 06687420

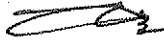
# Jindal Urban Waste Management (Visakhapatnam) Limited

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

		(Amount in ₹)	
Particulars	Note No	Year Ended March 31, 2019	Year ended March 31, 2018
I Revenue from operations		-	-
II Other income		-	-
III		-	-
	<b>Total Income (I+II)</b>	<b>-</b>	<b>-</b>
IV Expenses			
Finance costs	18	-	156
Other expenses	19	5,09,682	3,81,398
	<b>Total expenses (IV)</b>	<b>5,09,682</b>	<b>3,81,554</b>
V Profit/(loss) before exceptional items and tax (III- IV)		<b>(5,09,682)</b>	<b>(3,81,554)</b>
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		<b>(5,09,682)</b>	<b>(3,81,554)</b>
VIII Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
	<b>Total Tax Expense (VIII)</b>	<b>-</b>	<b>-</b>
IX Profit (Loss) for the year (VII-VIII)		<b>(5,09,682)</b>	<b>(3,81,554)</b>
X Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
(i) Re-measurement gains (losses) on defined benefit plans		-	-
(ii) Income tax effect on above		-	-
	<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>
XI Total Comprehensive Income for the year (IX+X)(Comprising profit (loss) and other comprehensive income for the year)		<b>(5,09,682)</b>	<b>(3,81,554)</b>
XII Earnings per equity share			
(1) Basic (Amount in ₹)		(0.13)	(5.98)
(2) Diluted (Amount in ₹)		(0.13)	(5.98)
Significant accounting policies and notes to financial statements	20		

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

For and on behalf of the Board of Directors of  
Jindal Urban Waste Management (Visakhapatnam) Limited

  
G.K. Aggarwal  
Partner  
M.No. 086622  
Place : New Delhi  
Dated : 18th May 2019



  
Umesh Chopra  
Director  
DIN - 05277483

  
Neelesh Gupta  
Director  
DIN - 06687420

**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**

**A. Equity Share Capital**

(Amount in ₹)

Balance as at April 1, 2017	5,00,000
Changes in equity share capital during F.Y.2017-18	2,51,99,990
Balance as at March 31, 2018	2,56,99,990
Changes in equity share capital during F.Y.2018-19	1,84,90,000
Balance as at March 31, 2019	4,41,89,990

**B. Other Equity**

Particulars	Share Application Money	Reserves and Surplus		Items of Other Comprehensive Income	Total
		Securities Premium	Retained Earnings	Re-measurement of the net defined benefit Plans	
Balance as at April 1, 2017	-	-	(24,711)	-	(24,711)
Total Comprehensive Income for the year 2017-18	-	-	(3,81,554)	-	(3,81,554)
Issued during the year	-	22,67,99,910	-	-	22,67,99,910
Equity Issue Expenses	-	-	6,12,500	-	6,12,500
Balance as at March 31, 2018	-	22,67,99,910	(10,18,765)	-	22,57,81,145
Total Comprehensive Income for the year 2018-19	-	-	(5,09,682)	-	(5,09,682)
Issued during the year	-	16,64,10,000	-	-	16,64,10,000
Balance as at March 31, 2019	-	39,32,09,910	(15,28,447)	-	39,16,81,463

As per our report of even date attached

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

G.K. Aggarwal  
 Partner  
 M.No. 086622  
 Place : New Delhi  
 Dated : 18th May 2019



For and on behalf of the Board of Directors of  
 Jindal Urban Waste Management (Visakhapatnam) Limited

*(Signature)*  
 Umesh Chopra  
 Director  
 DIN - 05277483

*(Signature)*  
 Neelesh Gupta  
 Director  
 DIN - 06687420

**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of cash flows for the year ended March 31, 2019**

(Amount in ₹)

PARTICULARS	Year Ended March 31, 2019		Year ended March 31, 2018	
<b>A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES</b>				
<b>NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>		(5,09,682)		(3,81,554)
Adjustments for :				
Add/(Less)				
Interest Expenses	-		156	
Interest (POP)	-			
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		(5,09,682)		(3,81,398)
Adjustments for :				
Current investments				
Inventories	-			
Loans and advances and other assets	(44,91,920)		(3,36,91,268)	
Trade and Other Payables	3,14,34,954	2,69,43,034	(2,63,085)	(3,39,54,353)
<b>CASH GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS</b>		2,64,33,352		(3,43,35,751)
Tax Paid		(1,59,258)		
<b>NET CASH INFLOW / ( OUTFLOW ) FROM OPERATING ACTIVITIES</b>		2,62,74,094		(3,43,35,751)
<b>B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES</b>				
Purchase of Property, Plant and Equipment	(94,96,80,920)		(21,99,22,218)	
<b>NET CASH INFLOW/(OUTFLOW)FROM INVESTING ACTIVITIES</b>		(94,96,80,920)		(21,99,22,218)
<b>C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>				
Dividend paid including dividend distribution tax				
Issue of Share Capital	18,49,00,000		25,19,99,900	
Equity Issue Expenses	-		(6,12,500)	
Interest paid	-		(156)	
Increase/(Decrease) in Short Term Borrowings	2,44,37,263		47,83,864	
Increase/(Decrease) in Long Term Borrowings	80,26,70,356			
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		1,01,20,07,619		25,61,71,108
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>		8,86,00,793		19,13,139
Cash and cash equivalents at beginning of the year		27,40,747		8,27,608
<b>Cash and cash equivalents at end of the year</b>		<b>9,13,41,540</b>		<b>27,40,747</b>

**NOTE:**

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

As per our report of even date attached

For N.C. Aggarwal & Co.

Chartered Accountants  
 Firm Registration No. 003273N

G.K. Aggarwal  
 Partner  
 M.No. 086622  
 Place : New Delhi  
 Dated : 18th May 2019



For and on behalf of the Board of Directors of  
 Jindal Urban Waste Management (Visakhapatnam) Limited

*(Signature)*  
 Umesh Chopra  
 Director  
 DIN - 05277483

*(Signature)*  
 Neelesh Gupta  
 Director  
 DIN - 06687420

# Jindal Urban Waste Management (Visakhapatnam) Limited

## Notes to Financial Statements

### 1. Property, Plant and Equipment

(Amount in ₹)

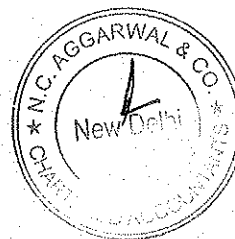
Particulars	Office Equipment	Furniture & Fixtures	Computer	Total
<b>Gross Block</b>				
As at April 1, 2017	63,673	-	4,40,644	5,04,317
Additions	4,19,360	1,23,890	1,23,192	6,66,442
Disposal/Adjustments	-	-	-	-
<b>As at March 31, 2018</b>	<b>4,83,033</b>	<b>1,23,890</b>	<b>5,63,836</b>	<b>11,70,759</b>
Additions	3,11,701	1,01,877	-	4,13,578
Disposal/Adjustments	-	-	-	-
<b>As at March 31, 2019</b>	<b>7,94,734</b>	<b>2,25,767</b>	<b>5,63,836</b>	<b>15,84,337</b>
<b>Accumulated Depreciation</b>				
As at April 1, 2017	9,250	-	81,461	90,711
Charge for the year*	37,153	15,440	1,51,964	2,04,557
Disposal/Adjustments	-	-	-	-
<b>As at March 31, 2018</b>	<b>46,403</b>	<b>15,440</b>	<b>2,33,425</b>	<b>2,95,268</b>
Charge for the year*	81,855	37,903	1,74,053	2,93,811
Disposal/Adjustments	-	-	-	-
<b>As at March 31, 2019</b>	<b>1,28,258</b>	<b>53,343</b>	<b>4,07,478</b>	<b>5,89,079</b>
Net carrying amount				
As at March 31, 2018	4,36,630	1,08,450	3,30,411	8,75,491
As at March 31, 2019	6,66,476	1,72,424	1,56,358	9,95,258

\*Depreciation for the year charged to preoperative expenses.

### 2. Intangible Assets

Particulars	Software
<b>Gross Block</b>	
As at April 1, 2017	67,938
Additions	-
Disposal/Adjustments	-
<b>As at March 31, 2018</b>	<b>67,938</b>
Additions	5,18,303
Disposal/Adjustments	-
<b>As at March 31, 2019</b>	<b>5,86,241</b>
<b>Accumulated Depreciation</b>	
As at April 1, 2017	10,237
Charge for the year*	13,588
Disposal/Adjustments	-
<b>As at March 31, 2018</b>	<b>23,825</b>
Charge for the year*	84,872
Disposal/Adjustments	-
<b>As at March 31, 2019</b>	<b>1,08,697</b>
Net carrying amount	
As at March 31, 2018	44,113
As at March 31, 2019	4,77,544

\*Depreciation for the year charged to preoperative expenses.



# Jindal Urban Waste Management (Visakhapatnam) Limited

## Notes to Financial Statements

(Amount in ₹)

Particulars	As at	
	March 31, 2019	March 31, 2018
<b>3. Other non-current financial assets</b>		
Security Deposits		
- Unsecured, considered good	4,59,600	1,30,600
<b>Total Other non current financial assets</b>	<b>4,59,600</b>	<b>1,30,600</b>
<b>4. Other non-current assets</b>		
Capital Advances		
- Secured, considered good	4,47,44,862	10,99,03,779
- Unsecured, considered good	2,14,07,592	2,99,10,961
Prepaid Finance Charges		
<b>Total Other non-current assets</b>	<b>6,61,52,454</b>	<b>13,98,14,740</b>
<b>5. Cash and cash equivalents</b>		
Balances with Banks		
On current accounts	43,41,540	27,40,747
Fixed Deposits with original maturity of less than three months	8,70,00,000	-
<b>Total Cash and Cash equivalents</b>	<b>9,13,41,540</b>	<b>27,40,747</b>
<b>6. Other current financial assets</b>		
Interest accrued but not due on FDR's	1,70,114	-
Other receivables (financial assets)	17,40,400	-
<b>Total other financial assets</b>	<b>19,10,514</b>	<b>-</b>
<b>7. Current tax assets (net)</b>		
Advance taxation (net of provision)	1,59,258	-
<b>Total Current Tax Assets</b>	<b>1,59,258</b>	<b>-</b>
<b>8. Other current assets</b>		
Advances to vendors	1,26,68,667	41,61,543
Advance to Employees	51,558	12,845
Other receivables	23,68,781	1,58,843
<b>Total Other Current Assets</b>	<b>1,50,89,006</b>	<b>43,33,231</b>
<b>9. Equity Share Capital</b>		
<b>Authorised</b>		
67,00,000 Equity shares of Rs. 10/- each	6,70,00,000	6,70,00,000
	<b>6,70,00,000</b>	<b>6,70,00,000</b>
<b>Issued</b>		
44,18,999 (Previous Year 25,69,999) Equity shares of Rs. 10/- each fully paid up	4,41,89,990	2,56,99,990
	<b>4,41,89,990</b>	<b>2,56,99,990</b>
<b>Subscribed and fully paid-up</b>		
44,18,999 (Previous Year 25,69,999) Equity shares of Rs. 10/- each fully paid up	4,41,89,990	2,56,99,990
	<b>4,41,89,990</b>	<b>2,56,99,990</b>
<b>Total Equity Share Capital</b>	<b>4,41,89,990</b>	<b>2,56,99,990</b>
<b>(a) Reconciliation of the number of shares:</b>		
Equity shares		
Shares outstanding as at the beginning of the year	25,69,999	50,000
Add: Shares issued during the year	18,49,000	25,19,999
Shares outstanding as at the end of the year	<b>44,18,999</b>	<b>25,69,999</b>

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

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of holding	No. of shares	% of holding
JITF Urban Infrastructure Limited*	4418999	100	2569999	100
<b>Total</b>	<b>4418999</b>	<b>100</b>	<b>2569999</b>	<b>100</b>

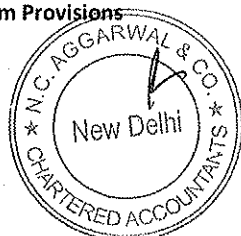
\* Including 6 Shares held by Person/Companies as nominees of JITF Urban Infrastructure Limited

# Jindal Urban Waste Management (Visakhapatnam) Limited

## Notes to Financial Statements

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(c) Terms/Rights attached to equity shares</b>		
The Company has only one class of equity shares having a par value of ₹ 10/- per equity share. Each equity shareholder is entitled to one vote per share.		
<b>10. Other Equity</b>		
<b>a) Retained earnings</b>		
Balance as per last financial statements	(10,18,765)	(24,711)
Add: Profit after tax transferred from Statement of profit and Loss	(5,09,682)	(3,81,554)
Share issue Expense	-	6,12,500
<b>Total retained earnings</b>	<b>(15,28,447)</b>	<b>(10,18,765)</b>
<b>b) Securities Premium</b>		
Balance as per last financial statements	22,67,99,910	-
Add: During the year	16,64,10,000	22,67,99,910
Less: Premium on redemption of debentures	-	-
<b>Closing Balance</b>	<b>39,32,09,910</b>	<b>22,67,99,910</b>
<b>Total other equity</b>	<b>39,16,81,463</b>	<b>22,57,81,145</b>
<b>Nature and Purpose of Reserves</b>		
Security premium account is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium account and can use this reserve for buy-back of shares.		
Retained Earnings represent the undistributed profits of the Company.		
Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into i). Items that will not be reclassified to profit and loss ii). Items that will be reclassified to profit and loss.		
<b>NON CURRENT LIABILITIES</b>		
<b>11. Non Current borrowings</b>		
<b>a) Secured</b>		
(i) Term Loan from Financial Institutions	58,18,07,997	-
<b>Secured long term borrowings</b>	<b>58,18,07,997</b>	<b>-</b>
(i) Term loan from consortium of Indian Renewable Energy Development Agency and India Infrastructure Finance Co Ltd of Rs.59,50,00,000/- as on 31st March 2019 carries interest @ 11.60% repayable in 60 structure quarterly installments starting from quarter ending December 2020. Loan is Secured by way of hypothecation of all movable fixed assets both, present or future and pledge of 99% of shares of the company (which may be gradually reduced to 51% within 2 years of COD) held by JITF Urban Infrastructure Ltd. Loan is also secured by corporate guarantee of JITF Urban Infrastructure Limited, Danta Enterprises Private Ltd and Glebe Trading Private Limited.		
(ii) Loan is net of amortisation cost.		
(iii) There is no default in repayment of principal and interest thereon.		
<b>b) Unsecured</b>		
Loan from related parties	22,08,62,359	-
<b>Unsecured Long term borrowings</b>	<b>22,08,62,359</b>	<b>-</b>
<b>Total Long Term Borrowings</b>	<b>80,26,70,356</b>	<b>-</b>
<b>12. Provisions</b>		
<b>Provision for Employee benefits</b>		
- Gratuity	7,64,481	1,47,457
- Leave Encashment	13,02,782	3,76,438
<b>Total Long term Provisions</b>	<b>20,67,263</b>	<b>5,23,895</b>



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Notes to Financial Statements**

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>13. Current borrowings</b>		
Unsecured		
Loans from related parties*	3,53,21,127	1,08,83,864
<b>Total current borrowings</b>	<u>3,53,21,127</u>	<u>1,08,83,864</u>
*Refer note no 20.13 for details of Loans from related parties.		
<b>14. Trade payables</b>		
Micro Enterprises and Small Enterprises*	19,21,662	-
Other than Micro and Small Enterprises	2,53,06,386	64,74,070
<b>Total Trade payables</b>	<u>2,72,28,048</u>	<u>64,74,070</u>
* Principal amount outstanding as at the year end, there is no overdue amount of principal and interest due to Micro and small enterprises. During the year, no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.		
<b>15. Other current financial liabilities</b>		
Capital Creditors	8,24,08,103	5,71,619
Derivative Financial Liability	-	6,57,061
Payable to related parties*	72,094	-
Other outstanding financial liabilities	91,62,166	2,14,546
Dues to Employees	16,99,710	5,34,549
<b>Total other financial liabilities</b>	<u>9,33,42,073</u>	<u>19,77,775</u>
*Refer note no 20.13 for details of Payable to related parties.		
<b>16. Other current liabilities</b>		
Statutory Dues	20,63,289	25,49,399
<b>Total other current liabilities</b>	<u>20,63,289</u>	<u>25,49,399</u>
<b>17. Current provisions</b>		
Provision for Employee benefits		
- Gratuity	27,832	388
- Leave Encashment	83,344	14,884
<b>Total current provisions</b>	<u>1,11,176</u>	<u>15,272</u>
	<b>Year Ended</b>	<b>Year ended</b>
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>18. Finance Cost</b>		
a) Interest Expense		
- Other Interest	-	156
b) Bank and Finance charges	-	-
<b>Total Finance Cost</b>	<u>-</u>	<u>156</u>
<b>19. Other expenses</b>		
Rates and Taxes	2,36,100	3,63,605
Auditors' Remuneration	11,800	11,800
Miscellaneous Expenses	2,61,782	5,993
<b>Total other expenses</b>	<u>5,09,682</u>	<u>3,81,398</u>





**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

**1. Corporate and General Information**

Jindal Urban Waste Management (Visakhapatnam) Limited ("the Company") is domiciled and incorporated in India. The registered office of the Company is situated at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Mathura - 281403, Uttar Pradesh, India.

The Company would install a waste to energy plant with a capacity of 15 MW at Visakhapatnam, Andhra Pradesh. The Company has a 25 years Concession agreement with different ULB of Andhra Pradesh Municipal Corporation for generating and selling clean renewable energy.

**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 Company has consistently applied the accounting policies used in the preparation for all periods presented.

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

**3.0 Significant Accounting Policies**

**3.1 Basis of Measurement**

The financial statements have been prepared on an accrual basis and under the historical cost convention except financial assets and financial liabilities which are carried at amortised cost.

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

**3.2 Property, Plant and equipment**

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All preoperative expenses directly attributable to installation of waste to energy plant are capitalised.

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
<b>Other Office Equipments</b>	
- Computer equipment	3
- Office equipment	3-25
- Furniture & fixture	5

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

**3.3 Intangible Assets**

Identifiable intangible assets are recognised a) when the Company controls the asset, b) it is probable that future economic



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

benefits attributed to the asset will flow to the Company and c) the cost of the asset can be reliably measured.

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

**3.4 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 being considered as integral part of the Company's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**3.5 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. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Leave encashment 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 liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees (₹) is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

The Company operates defined benefit plans for gratuity, which requires contributions to be made to a separately administered fund. Funds are managed by trust. This trust has policy from an insurance company.

**3.6 Foreign currency reinstatement**

**a) Functional and presentation currency**

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



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

**b) Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the yearend exchange rates are recognised in statement of profit and loss.

Exchange gain and loss on debtors, creditors and other than financing activities are presented in the statement of profit and loss, as other income and as other expenses respectively. Foreign exchange gain and losses on financing activities to the extent that they are regarded as an adjustment to interest costs are presented in the statement of profit and loss as finance cost and balance gain and loss are presented in statement of profit and loss as other income and as other expenses respectively.

Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

**3.7 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 classified 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.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing these assets changes.

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.

*Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

*De-recognition of financial asset*

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

**b) Financial Liabilities**

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

Financial liabilities are classified in two categories; subsequent measurement of financial assets is depended on initial categorisation. These categories and their classification are as below:

**i. Financial liabilities at fair value through profit or loss**

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

**ii. Financial liabilities measured at amortised cost**

*Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. 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. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the company has unconditional right to defer settlement of the liability for atleast twelve months after 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.

*De-recognition of financial liability*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**3.8 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.



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

**3.9 Equity share capital**

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

**3.10 Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

**3.11 Earnings per share**

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

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

**3.12 Provisions and contingencies**

**a) 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. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**b) Contingencies**

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

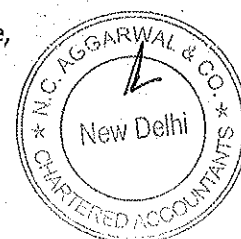
**3.13 Current versus non-current classification**

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



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

### **3.14 Recent Ind AS Pronouncement**

Standards issued but not yet effective

#### **Ind AS 116 – Leases**

Ind AS 116 was notified by Ministry of Corporate Affairs on March 30, 2019 and it is applicable for annual reporting periods beginning on or after April 1, 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased term) and a financial liability to pay rentals for virtually all leases contracts. An optional exemption exists for short-term and low-value assets. The company has operating lease, does not affect the profitability. The Company will be able to reasonably estimate the impact of Ind AS 116 on the financial statement after completion of above stated assessment.

### **4. Critical accounting estimates, assumptions and judgements**

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

#### **(a) Property, plant and equipment**

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

#### **(b) Intangibles**

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

#### **(c) Income taxes**

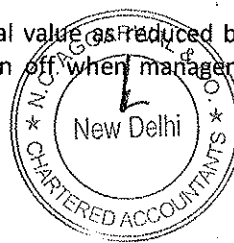
Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant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

#### **(d) Contingencies**

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

#### **(e) Allowance for uncollected accounts receivable and advances**

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



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

*(f) Insurance claims*

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

*(g) Liquidated damages*

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

**5. Financial risk management**

**5.1 Financial risk factors**

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's activities expose it to Liquidity risk:

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. 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, 2019 and March 31, 2018.

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.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

**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. However, such effect is not material.

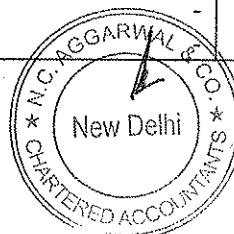
**a) Interest rate risk and sensitivity**

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates, any changes in the interest rates environment may impact future cost of borrowing.

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

(Amount in ₹)

Interest rate sensitivity	Increase/Decrease in basis points	Effect on profit before tax For the Year ended 31 March 2019	Effect on profit before tax For the Year ended 31 March 2018
INR	+50	-42,67,577	-
	-50	42,67,577	-
USD	+50	-	-
	-50	-	-



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

**Interest rate & currency of borrowings**

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

(Amount in ₹)

Particulars	Total Borrowing	Floating rate borrowing	Fixed rate borrowing	Weighted Average rate
INR	83,79,91,483	83,79,91,483	-	
<b>Total as on March 31, 2019</b>	<b>83,79,91,483</b>	<b>83,79,91,483</b>	<b>-</b>	<b>11.69%</b>
INR	1,08,83,864	-	1,08,83,864	
<b>Total as on March 31, 2018</b>	<b>1,08,83,864</b>	<b>-</b>	<b>1,08,83,864</b>	<b>11.35%</b>

**Liquidity risk**

The Company's objective is to; at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

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

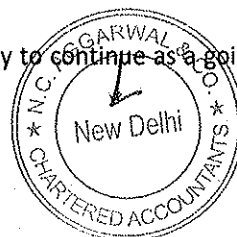
(Amount in ₹)

Particulars	Carrying Amount	On demand	Ageing as at 31st March 2019			Total
			< 6 months	6-12 months	> 1 years	
Interest bearing borrowings	83,79,91,483	3,53,21,127	-	-	80,26,70,356	83,79,91,483
Trade payable	2,72,28,048	-	2,72,28,048	-	-	2,72,28,048
Derivative liabilities	-	-	-	-	-	-
Other liabilities	9,33,42,073	72,094	9,32,69,979	-	-	9,33,42,073
<b>Total</b>	<b>95,85,61,604</b>	<b>3,53,93,221</b>	<b>12,04,98,027</b>	<b>-</b>	<b>80,26,70,356</b>	<b>95,85,61,604</b>

Particulars	Carrying Amount	On demand	Ageing as at 31st March 2018			Total
			< 6 months	6-12 months	> 1 years	
Interest bearing borrowings	1,08,83,864	1,08,83,864	-	-	-	1,08,83,864
Trade payable	64,74,070	-	64,74,070	-	-	64,74,070
Derivative liabilities	6,57,061	-	6,57,061	-	-	6,57,061
Other liabilities	13,20,714	-	13,20,714	-	-	13,20,714
<b>Total</b>	<b>1,93,35,709</b>	<b>1,08,83,864</b>	<b>84,51,845</b>	<b>-</b>	<b>-</b>	<b>1,93,35,709</b>

**Capital risk management**

The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.





**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital using gearing ratio, which is net debt divided by total capital which is given as under:-

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Loans And Borrowings	83,79,91,483	1,08,83,864
Less: Cash And Cash Equivalents	9,13,41,540	27,40,747
Net Debt	74,66,49,943	81,43,117
Equity	43,58,71,453	25,14,81,135
Total Capital	1,18,25,21,396	25,96,24,252
<b>Gearing Ratio</b>	<b>63.14%</b>	<b>3.14%</b>

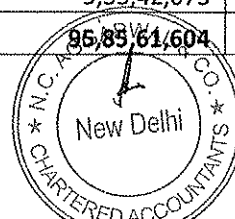
In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches of the financial covenants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

**6. Fair value of financial assets and liabilities**

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

(Amount in ₹)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial assets designated at amortised cost</b>				
Fixed deposits with banks	8,70,00,000	8,70,00,000	-	-
Cash and bank balances	43,41,540	43,41,540	27,40,747	27,40,747
Other financial assets	23,70,114	23,70,114	1,30,600	1,30,600
	<b>9,37,11,654</b>	<b>9,37,11,654</b>	<b>28,71,347</b>	<b>28,71,347</b>
<b>Financial liabilities designated at fair value through profit or loss</b>				
Derivatives - not designated as hedging instruments				
- Forward Contracts	-	-	6,57,061	6,57,061
<b>Financial liabilities designated at amortised cost</b>				
Borrowings- fixed rate	-	-	1,08,83,864	1,08,83,864
Borrowings- floating rate	83,79,91,483	83,79,91,483	-	-
Trade & other payables	2,72,28,048	2,72,28,048	64,74,070	64,74,070
Other financial liabilities	9,33,42,073	9,33,42,073	13,20,714	13,20,714
	<b>95,85,61,604</b>	<b>95,85,61,604</b>	<b>1,93,35,709</b>	<b>1,93,35,709</b>



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

**Fair Valuation techniques**

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

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

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings is not material different from 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 values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters basis contractual terms, period to maturity, and market parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.
- 4) 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.
- 5) IND AS 101 allow Company to fair value property, plant and machinery on transition to IND AS, the Company has fair valued property, plant and equipment, and the fair valuation is based on replacement cost approach.

**Fair Value hierarchy**

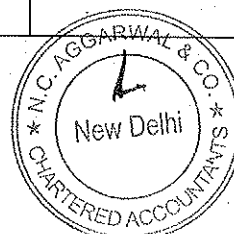
The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- Quoted prices / published NVA (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value( NAV) is published mutual fund operators at the balance sheet date.
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable. 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( Accounted)	(Amount in ₹)		
	As at March 31, 2019		
	Level 1	Level 2	Level 3
Financial liabilities			
Derivatives - designated as hedging instruments			
- Forwards			



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

(Amount in ₹)

Assets / Liabilities measured at fair value( Accounted)	As at March 31, 2018		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Derivatives - designated as hedging instruments			
- Forwards		6,57,061	

**Assets / Liabilities for which fair value is disclosed**

(Amount in ₹)

Particulars	As at March 31, 2019		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Borrowings- fixed rate			
Other financial liabilities		9,33,42,073	

(Amount in ₹)

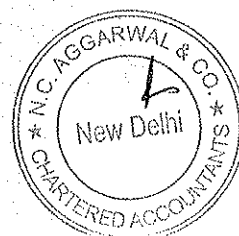
Particulars	As at March 31, 2018		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Borrowings- fixed rate		1,08,83,864	
Other financial liabilities		13,20,714	

During the year ended March 31, 2019 and March 31, 2018, 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, 2019 and March 31, 2018, respectively:

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

Particulars	Fair value hierarchy	Valuation technique	Inputs used	Quantitative information about significant unobservable inputs
<b>Financial liabilities</b>				
Derivatives - not designated as hedging instruments				
- Forward contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, Interest rates to discount future cash flow	-
- Interest rate swaps	Level 2	Market valuation techniques	Prevailing/forward interest rates in market, Interest rates to discount future cash flow	-



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

b) Assets / Liabilities for which fair value is disclosed

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

**7. Derivative financial instruments**

The Company uses foreign currency forward contracts to manage some of its transactions exposure. The details of derivative financial instruments are as follows:

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Liabilities</b>		
Forward/options	-	6,57,061
<b>Total</b>	-	<b>6,57,061</b>

**8. Borrowing cost capitalised**

(Amount in ₹)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Borrowing Cost capitalised	3,13,39,068	1,21,10,596
Currency Fluctuation Capitalised	(3,09,32,548)	6,57,061
<b>Total</b>	<b>4,06,520</b>	<b>1,27,67,657</b>

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

(Amount in ₹)

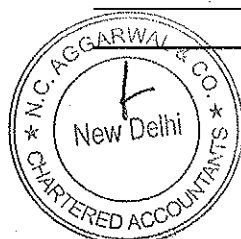
Particulars	As at March 31, 2019	As at March 31, 2018
Property, Plant and Equipment	49,91,35,497	1,13,25,40,437

**10. Retirement benefit obligations**

i. Movement in Defined Benefit Obligation

(Amount in ₹)

Particulars	Gratuity (funded)	leave encashment (unfunded)
<b>Present value of obligation - April 1, 2018</b>	<b>2,55,997</b>	<b>3,91,321</b>
Interest cost	66,301	82,575
Current service cost	2,00,900	3,71,076
Benefits paid	-	-
Acquisitions / Transfer in/ Transfer out	1,13,319	-
Past Service Cost	-	-
Remeasurements - actuarial loss/ (gain)	3,85,456	5,41,154
<b>Present value of obligation - March 31, 2019</b>	<b>10,21,973</b>	<b>13,86,126</b>
<b>Present value of obligation - April 1, 2017</b>	-	-
Interest cost	-	-



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**

**Note No-20**

Current service cost	1,63,835	3,91,748
Benefits paid	-	(427)
Acquisitions / Transfer in/ Transfer out	1,00,000	-
Past Service Cost	-	-
Remeasurements - actuarial loss/ (gain)	(7,838)	-
<b>Present value of obligation - March 31, 2018</b>	<b>2,55,997</b>	<b>3,91,321</b>

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

Particulars	(Amount in ₹)	
	Year ended March 31, 2019	Year ended March 31, 2018
Fair value of plan assets at beginning of year	1,08,151	-
Expected return on plan assets	8,382	6,231
Transfer in	1,13,319	1,00,000
Transfer out	-	-
Employer contributions	-	10,000
Benefits paid	-	-
Actuarial gain / (loss)	(193)	(8,080)
<b>Fair value of plan assets at end of year</b>	<b>2,29,659</b>	<b>1,08,151</b>
Present value of obligation	10,21,973	2,55,997
Net funded status of plan	(7,92,314)	(1,47,846)
Actual return on plan assets	8,189	(1,849)

**iii. Recognised in statement of profit and loss (Capitalised as Pre-Operative Expenses)**

Particulars	(Amount in ₹)	
	Gratuity	Leave Encashment
Interest cost	66,301	82,575
Current Service cost	2,00,900	3,71,076
Past service cost	-	-
Expected return on plan assets	(8,382)	-
<b>Year ended March 31, 2019</b>	<b>2,58,819</b>	<b>4,53,651</b>
Interest cost	-	-
Current Service cost	1,63,835	3,91,749
Past service cost	-	-
Expected return on plan assets	(6,231)	-
<b>Year ended March 31, 2018</b>	<b>1,57,604</b>	<b>3,91,749</b>
Actual return on plan assets	8,189	-

**iv. Recognised in Other Comprehensive Income (Capitalised as Pre-Operative Expenses)**

Particulars	(Amount in ₹)	
	Gratuity	
Remeasurement - Actuarial loss/(gain)	3,85,649	
Year ended March 31, 2019	3,85,649	
Remeasurement - Actuarial loss/(gain)	242	
Year ended March 31, 2018	242	



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

- v. The principal actuarial assumptions used for estimating the Group's defined benefit obligations are set out below:

Weighted average actuarial assumptions	As at March 31, 2019	As at March 31, 2018
Discount rate	7.75 % per annum	7.75 % per annum
Salary Growth Rate	6.50 % per annum	6.50 % per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return		
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.(18 to 30 Years)
Withdrawal rate (Per Annum)	5.00% p.a.	3.00% p.a. (30 to 44 Years)
Withdrawal rate (Per Annum)	5.00% p.a.	2.00% p.a. (44 to 60 Years)

- vi. Estimate of expected Benefit Payments (in absolute terms i.e. Undiscounted)

Particulars	(Amount in ₹)	
	Gratuity	
01 Apr 2019 to 31 Mar 2020	1,86,855	
01 Apr 2020 to 31 Mar 2021	1,02,017	
01 Apr 2021 to 31 Mar 2022	52,648	
01 Apr 2022 to 31 Mar 2023	67,923	
01 Apr 2023 to 31 Mar 2024	53,285	
01 Apr 2024 Onwards	6,99,968	

- vii. Statement of Employee benefit provision

Particulars	(Amount in ₹)	
	Year ended March 31, 2019	Year ended March 31, 2018
Gratuity	7,92,314	1,47,846
Leave Encashment	13,86,126	3,91,321
<b>Total</b>	<b>21,78,440</b>	<b>5,39,167</b>

- viii. Current and non-current provision for Gratuity and leave encashment

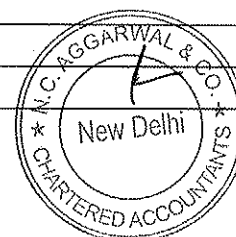
For the year ended March 31, 2019		(Amount in ₹)	
Particulars	Gratuity	Leave Encashment	
Current provision	27,833	83,344	
Non current provision	7,64,481	13,02,782	
<b>Total Provision</b>	<b>7,92,314</b>	<b>13,86,126</b>	

Year ended March 31, 2018		(Amount in ₹)	
Particulars	Gratuity	Leave Encashment	
Current provision	388	14,885	
Non current provision	1,47,458	3,76,436	
<b>Total Provision</b>	<b>1,47,846</b>	<b>3,91,321</b>	

- ix. Employee benefit expenses

Employee benefit expenses	(Amount in ₹)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Wages	1,40,48,573	68,14,360
Costs-defined benefit plan	-	-
Costs-defined contribution plan	9,14,550	5,17,693
Welfare expenses	3,30,393	2,60,321
<b>Total</b>	<b>1,52,93,515</b>	<b>75,92,374</b>



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

(Figures in no.)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Average no of people employed	21	18

**Note**

**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.

**11. Other disclosures**

**Auditors Remuneration**

(Amount in ₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>1. Statutory Auditors</b>		
Audit Fee	11,800	11,800
<b>Total</b>	<b>11,800</b>	<b>11,800</b>

**12. Contingent Liabilities**

(Amount in ₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Foreign/Inland Letter of Credit issued by the Company's bankers on behalf of the Company	11,95,11,159	768,249,429
Bank Guarantees issued by the Company's bankers on behalf of the Company	7,50,00,000	-
<b>Total</b>	<b>19,45,11,159</b>	<b>768,249,429</b>

**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

**1. Key Managerial personnel**

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

**2. Ultimate Parent, Parent, Fellow Holding, Fellow subsidiaries and fellow step down subsidiaries.**

S. No.	Name of the Entity	Relationship
1	JITF Infralogistics Limited	Ultimate Parent Company
2	JITF Urban Infrastructure Services Limited	Parent Company
3	JITF Urban Infrastructure Limited	Holding Company
4	JWIL Infra Limited	Fellow Holding
5	Jindal Rail Infrastructure Limited	Fellow Holding
6	JITF Water Infra ( Naya Raipur) Limited	Fellow Step down Subsidiary
7	JITF ESIPL CETP (Sitarganj) Limited	Fellow Step down Subsidiary



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**

**Note No-20**

8	JITF Industrial Infrastructure Development Company Limited	Fellow Step down Subsidiary
9	JITF Urban Waste Management (Ferozpur) Limited	Fellow Subsidiary
10	JITF Urban Waste Management (Jalandhar) Limited	Fellow Subsidiary
11	JITF Urban Waste Management (Bathinda) Limited	Fellow Subsidiary
12	Jindal Urban Waste Management (Tirupati) Limited	Fellow Subsidiary
13	Jindal Urban Waste Management (Guntur) Limited	Fellow Subsidiary
14	Timarpur-Okhla Waste Management Company Limited	Fellow Subsidiary
15	Jindal Urban Waste Management (Jaipur) Limited	Fellow Subsidiary
16	Jindal Urban Waste Management (Jodhpur) Limited	Fellow Subsidiary
17	Jindal Urban Waste Management (Ahmedabad) Limited	Fellow Subsidiary
18	Tekhhand Waste to Electricity Project Limited	Fellow Subsidiary

**3. Joint ventures/ associates**

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

**4. Trust under control**

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

**5. Entities falling under same promoter group:**

S. No.	Name of the Entity
1	Glebe Trading Private Limited
2	Danta Enterprises Private Limited

**Related party Transactions**

(Amount in ₹)

S.NO.	Particulars	Parent / Holding /Fellow Holding Companies		Subsidiary / Fellow Subsidiary Companies		Entities falling under same promoter group	
		FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
A	<b>Transactions</b>						
	Equity share Capital added during the year						
	JITF Urban Infrastructure Limited	18,49,00,000	25,19,99,900	-	-	-	-
	<b>Expenses incurred by others and reimbursed by company</b>						
	JITF Urban Infrastructure Limited	67,893	18,14,603	-	-	-	-
	Jindal Rail Infrastructure Limited	3,41,02,386	-	-	-	-	-



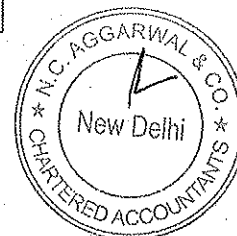


**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

S.NO.	Particulars	Parent / Holding /Fellow Holding Companies		Subsidiary / Fellow Subsidiary Companies		Entities falling under same promoter group	
		FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
	Jindal Urban Waste Management (Guntur) Limited	-	-	72,094	-	-	-
	<b>Expenses incurred/recovered by the Company</b>						
	Jindal Urban Waste Management (Tirupati) Ltd	-	-	8,080	-	-	-
	Jindal Urban Waste Management (Guntur) Limited	-	-	1,13,52,106	-	-	-
	<b>Interest expense</b>						
	JITF Urban Infrastructure Limited	22,71,688	1,21,10,596	-	-	-	-
	Glebe Trading Private Limited	-	-	-	-	8,28,767	-
	Danta Enterprises Private Limited	-	-	-	-	1,36,54,564	-
	<b>Loan repaid during the year</b>						
	JITF Urban Infrastructure Limited	3,98,54,300	25,95,00,000	-	-	-	-
	Glebe Trading Private Limited	-	-	-	-	4,00,00,000	-
	Danta Enterprises Private Limited	-	-	-	-	29,21,00,000	-
	<b>Loan taken during the year</b>						
	JITF Urban Infrastructure Limited	6,26,70,436	25,34,00,000	-	-	-	-
	Glebe Trading Private Limited	-	-	-	-	4,00,00,000	-
	Danta Enterprises Private Limited	-	-	-	-	50,00,00,000	-
<b>B</b>	<b>Outstanding balances</b>						
	<b>Equity Share Capital by Holding</b>						
	JITF Urban Infrastructure Limited	43,73,99,900	25,24,99,900	-	-	-	-
	<b>Loan payable</b>						
	JITF Urban Infrastructure Limited	3,53,21,127	1,08,83,864	-	-	-	-
	Danta Enterprises Private Limited	-	-	-	-	22,08,62,359	-
	<b>Payables</b>						
	Jindal Urban Waste Management (Guntur) Limited	-	-	72,094	-	-	-

**Key Management Personnel (KMP)**

Particulars	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
Short-Term employee benefits	-	-
Post-Employment benefits		
- Defined contribution plan	-	-
- Defined benefit plan	-	-
<b>Total</b>	-	-



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

14. Capital Work in progress includes following Pre-operative expenses Pending allocation:

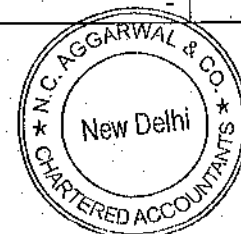
Detail of Preoperative Expenses	(Amount in ₹)	
	Year Ended March 31, 2019	
Actuarial Gain & Loss-defined benefit plan	3,85,649	
Advertisement	10,000	
Bank and Finance charges	3,14,21,166	
Depreciation	3,78,683	
Foreign Exchange Fluctuation	(3,09,32,547)	
Insurance	2,75,469	
Interest income	(15,92,578)	
Interest on Other Loan	8,28,767	
Interest on Term loans	1,45,84,049	
Legal and Professional Fees	15,68,416	
Miscellaneous Expense	38,10,123	
Other Borrowing cost	1,59,26,252	
Other Interest	3,12,844	
Other repair and maintenance	77,118	
Other Selling Expenses	1,46,805	
Postage and Telephones	95,588	
Rates & Taxes	2,40,540	
Recruitment Expenses	15,113	
Rent	3,09,300	
Salary and Wages	1,52,93,516	
Travelling and Conveyance	25,02,584	
Add: Pre-operative Expenses Brought Forward	3,80,03,973	
<b>Total Carried Forward</b>	<b>9,36,60,830</b>	

Note: Balance carried forward from F.Y.2017-18 is net of Items regrouped from POP to Capital Work in Progress of Rs.3,39,58,255/-

15. Based on the intimation received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below \* :

Sr. No.	Particulars	(Amount in ₹)	
		As at March 31, 2019	As at March 31, 2018
1	Principal amount due outstanding	19,21,662	-
2	Interest due on (1) above and unpaid	-	-
3	Interest paid to the supplier	-	-
4	Payments made to the supplier beyond the appointed day during the year.	-	-
5	Interest due and payable for the period of delay	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable In succeeding year	-	-

\* To the extent information available with the company.



**Jindal Urban Waste Management (Visakhapatnam) Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note No-20**

**16. Segment Reporting**

The Company primary business is to install 15 MW Waste to energy power plant. The company has not yet commence operations. Hence, segment Reporting is not applicable.

**17. 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, 2019	Year ended March 31, 2018
Issued equity shares	44,18,999	25,69,999
Weighted average shares outstanding - Basic and Diluted - A	39,54,303	63,808

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


Particulars	(Amount in ₹)	
	Year Ended March 31, 2019	Year ended March 31, 2018
Profit/loss after tax - B	(5,09,682)	(3,81,554)
Basic and Diluted Earnings per share (B/A)	(0.13)	(5.98)

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

19. Notes 1 to 18 are annexed to and form an integral part of financial statements.

As per our report of even date attached

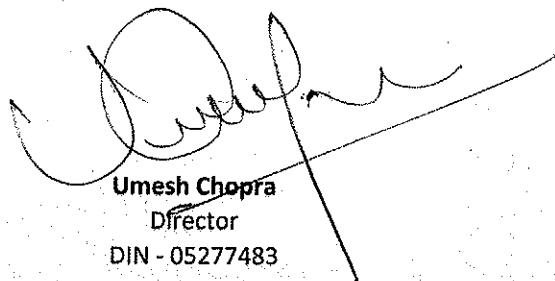
For **N.C. Aggarwal & Co.**  
Chartered Accountants  
Firm Registration No. 003273N




**G.K. Aggarwal**  
Partner  
M.No. 086622  
Place : New Delhi  
Dated : 18th May 2019



For and on behalf of the Board of Directors of  
Jindal Urban Waste Management (Visakhapatnam) Limited



**Umesh Chopra**  
Director  
DIN - 05277483



**Neelesh Gupta**  
Director  
DIN - 06687420