

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of JINDAL ITF LIMITED

**Report on the Financial Statements**

We have audited the accompanying financial statements of JINDAL ITF LIMITED ("the Company"), which comprise Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

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

**Auditors' Responsibility**

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

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

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



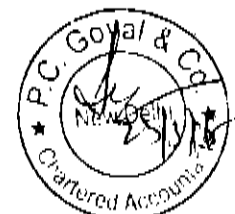
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-1** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure-2**.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer point no 12(iii) of Note-30 of the financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.



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

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



**(M.P. Jain)**  
Partner  
M. No. 082407  
Dated: 23<sup>rd</sup> May, 2018  
Place: New Delhi



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

(Annexure referred to in our report of even date to the members of **JINDAL ITF LIMITED** on the accounts for the year ended 31<sup>st</sup> March, 2018)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) A major portion of the fixed assets has been physically verified by the Management in accordance with a phased programmed of verification once in two years adopted by the company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.  
  
(c) The Company does not have any immovable property wherein reporting requirement with respect to title deed is applicable.
2. As explained to us, the management during the year has physically verified inventories. In our opinion, the frequency of verification is reasonable. The discrepancies noticed during physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
3. According to the information and the explanations given to us, the company has granted unsecured loans to the companies covered in the register maintained under section 189 of the Companies Act 2013.  
  
(a) As the aforesaid loan including interest accrued thereon is repayable on demand and therefore, the question of irregularity of payment does not arise.  
  
(b) The aforesaid loan is repayable on demand and therefore, the question of overdue amount does not arise.  
  
However, the company has not given any loan to firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, providing guarantees and making investment, as applicable. The Company has not granted any security in terms of Section 185 and 186 of the Companies Act, 2013.
5. According to the information given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.



6. To the best of our knowledge and as explained, the maintenance of cost records as specified by the Central Government under sub-section (l) of section 148 of the Companies Act, 2013 is not applicable to the company.
7. (a) Undisputed statutory dues including provident fund, employee' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues in respect of sales-tax, wealth tax, service tax, duty of customs, duty of excise and value added tax wherever applicable to the company which have not been deposited with the appropriate authorities on account of any dispute. The due in respect of Income tax that have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending is given below:


Name of Dues and Name of the Statute	Year to which the amount relates	Forum where matter is pending	Amount in Rs.
Income Tax Income Tax Act,1961	AY 2012-13	CIT (Appeals), New Delhi	92,76,020

8. In our opinion, on the basis of books and records examined by us and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks, financial institutions and debenture holders. The company does not have any dues to government.
9. The Company has not raised any money by way of initial public offer or further public offer or debt instruments. In our opinion, and according to the information and explanation given to us, the term loans have been applied for the purposes for which they were raised, other than temporary deployment pending allocation.
10. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.



13. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Act, and where applicable the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company. However, the Company has issued equity shares during the year on right issue basis.
15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.
16. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

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



**(M.P. Jain)**  
Partner  
M. No. 082407  
Dated: 23<sup>rd</sup> May, 2018  
Place: New Delhi



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

**Annexure referred to in our report of even date to the members of JINDAL ITF LIMITED on the accounts for the year ended 31<sup>st</sup> March, 2018**

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

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

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

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

**Auditors' Responsibility**

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

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

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



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

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

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

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

**Opinion**

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

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



**(M.P. Jain)**  
Partner  
M. No. 082407  
Dated: 23<sup>rd</sup> May, 2018  
Place: New Delhi



**JINDAL ITF LIMITED****Balance Sheet as at 31st March, 2018**

CIN NO.U74900UP2007PLC069247

(Amount in Rs.)

Particulars		Note No.	As at 31st March, 2018	As at 31st March, 2017
<b>I. ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment		1	2,286,467,840	3,946,330,741
(b) Intangible assets		2	4,753,369	8,864,146
<b>(c) Financial Assets</b>				
(i) Investments		3	617,194,934	617,188,736
(ii) Loans		4	565,573,731	979,188,639
(iii) Other Financial Assets		5	1,366,395,040	1,231,183,397
(d) Deferred tax assets (net)		6	3,003,549,490	2,369,947,376
(e) Other non-current assets		7	664,249	664,249
			<b>7,844,598,653</b>	<b>9,153,367,284</b>
<b>(2) Current assets</b>				
(a) Inventories		8	71,818,508	199,537,822
<b>(b) Financial Assets</b>				
(i) Trade receivables		9	468,905,245	396,024,639
(ii) Cash and Cash Equivalents		10	4,342,517	4,745,147
(iii) Bank balances other than (ii) above		11	216,070,800	68,933,200
(iv) Other Financial Assets		12	67,759,616	269,597,937
(c) Current Tax assets		13	100,222,247	80,578,032
(d) Other current assets		14	587,360,786	415,761,842
			<b>1,516,479,719</b>	<b>1,435,178,619</b>
<b>TOTAL ASSETS</b>			<b>9,361,078,372</b>	<b>10,588,545,903</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(1) (a) Equity Share capital		15	791,605,860	584,763,700
(b) Other Equity			(4,974,562,104)	(2,260,897,931)
			<b>(4,182,956,244)</b>	<b>(1,676,134,231)</b>
<b>Liabilities</b>				
<b>(2) Non-current liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings		16	4,164,977,697	6,606,294,740
(b) Provisions		17	2,713,609	4,209,966
			<b>4,167,691,306</b>	<b>6,610,504,706</b>
<b>Current liabilities</b>				
<b>(3) (a) Financial Liabilities</b>				
(i) Borrowings		18	6,932,517,861	3,710,247,718
(ii) Trade payables		19	63,428,168	169,361,740
(iii) Other financial liabilities		20	700,562,130	1,710,812,444
(b) Other current liabilities		21	1,679,213,728	63,583,652
(c) Provisions		22	621,423	169,874
			<b>9,376,343,310</b>	<b>5,654,175,428</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>9,361,078,372</b>	<b>10,588,545,903</b>

Significant accounting policies and notes to the financial statements

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

**M.P. Jain**  
Partner  
M.No. 082407

Place: New Delhi  
Dated: 23rd May, 2018



For and on behalf of the Board Of Directors of  
Jindal ITF Limited

**Sunil Kumar Trehan**  
Whole Time Director  
DIN - 00454475

**Rakesh Kumar Mandora**  
Chief Financial Officer  
M. No. 502742

**Sunil Kumar Jain**  
Director  
DIN - 01308863

**Megha Gupta**  
Company Secretary  
M. No. A25008

**JINDAL ITF LIMITED****Statement of Profit and Loss for the year ended 31st March, 2018**

(Amount in Rs.)

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I	Revenue From Operations	23	247,686,709	370,003,036
	Other Income	24	113,902,211	128,078,815
	<b>Total income (I)</b>		<b>361,588,920</b>	<b>498,081,851</b>
II	<b>EXPENSES</b>			
	Operational Expenses	25	837,819,792	1,478,397,781
	Employee benefits expense	26	166,366,846	246,417,600
	Finance costs	27	1,616,196,052	1,174,587,388
	Depreciation and amortisation expense	28	216,003,684	176,906,736
	Other expenses	29	208,688,075	99,843,966
	<b>Total expenses (II)</b>		<b>3,045,074,449</b>	<b>3,176,153,471</b>
III	Loss before exceptional items and tax (I-II)		(2,683,485,529)	(2,678,071,620)
IV	Exceptional items (refer note no. 16 of notes to accounts)		908,078,456	356,731,181
V	Loss before tax (III-IV)		(3,591,563,985)	(3,034,802,801)
VI	Tax expense: (1) Deferred tax		(633,912,384)	(1,052,831,161)
	<b>Total Tax expense (VI)</b>		<b>(633,912,384)</b>	<b>(1,052,831,161)</b>
VII	Loss for the year (V-VI)		(2,957,651,601)	(1,981,971,640)
VIII	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement gain(losses) on defined benefit plan		1,115,277	329,809
	Income tax effect on above		(310,270)	(114,140)
	<b>Total Other Comprehensive income</b>		<b>805,007</b>	<b>215,669</b>
IX	Total Comprehensive income for the year (VII+VIII) (Comprising profit and Other Comprehensive Income for the year)		(2,956,846,594)	(1,981,755,972)
X	Earnings per equity share of face value of Rs. 10/- each			
	(1) Basic		(37.63)	(34.66)
	(2) Diluted		(37.63)	(34.66)

Significant accounting policies and notes to the financial statements

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


  
**M.P. Jain**  
Partner  
M.No. 082407



Place: New Delhi  
Dated: 23rd May, 2018



For and on behalf of the Board Of Directors of  
Jindal ITF Limited

  
**Sunil Kumar Trehan**  
Whole Time Director  
DIN - 00454475

  
**Rakesh Kumar Mandora**  
Chief Financial Officer  
M. No. 502742

  
**Sunil Kumar Jain**  
Director  
DIN - 01308863

  
**Megha Gupta**  
Company Secretary  
M. No. A25008

**JINDAL ITF LIMITED****Cash Flow Statement for the year ended 31st March, 2018**

(Amount in Rs.)

	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Profit/(loss) Before Income taxes	(3,591,563,985)	(3,034,802,801)
<b>Adjustment for:</b>		
Depreciation on property, plant and Equipment	211,892,907	172,743,602
Loss on Sale of Fixed assets	908,078,456	356,731,181
Amortisation of intangible assets	4,110,777	4,163,134
Interest Income	(100,595,340)	(113,733,084)
Interest expense	1,357,950,686	1,128,100,892
Gain on fair valuation of Non Current Investment	6,198	-
<b>Operating profit before working capital changes</b>	<b>(1,210,120,301)</b>	<b>(1,486,797,076)</b>
<b>Adjustment for:</b>		
(Increase)/Decrease in Inventories	127,719,314	(63,447,821)
(Increase)/Decrease in Trade Receivable	(72,880,606)	(296,331,264)
(Increase)/Decrease in Loan and Advances	(249,944,976)	308,518,813
Increase/(Decrease) in Trade and other Payables	1,141,339,963	(206,267,135)
<b>Cash earned from operations</b>	<b>(263,886,606)</b>	<b>(1,744,324,483)</b>
Direct taxes paid	(19,644,215)	(17,138,954)
<b>Net Cash (used in) Operating Activities</b>	<b>(283,530,821)</b>	<b>(1,761,463,437)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest Received	19,113,681	20,886,759
(Purchase)/Sale of Investment in subsidiaries (net)	-	(617,166,526)
Purchase of property, plant and equipment	(7,931,196)	(459,712,220)
Sale of property, plant and equipment	547,827,036	60,500,001
<b>Net Cash (used in) Investing Activities</b>	<b>559,009,521</b>	<b>(995,491,986)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of Compulsorily Convertible Debentures	-	327,000,000
Proceeds from Issue of Shares including securities premium	-	195,533,496
Proceeds/(Repayment) from unsecured loan received (Short Term)	2,655,723,697	1,455,176,221
Proceeds/(Repayment) from unsecured loan given	485,000,000	-
Proceeds from Long Term Borrowings	1,000,000,000	2,011,006,425
(Repayment) of Long Term Borrowings	(3,978,433,843)	(639,832,666)
Interest paid	(438,171,184)	(598,895,863)
<b>Net Cash from Financing Activities</b>	<b>(275,881,330)</b>	<b>2,749,987,613</b>
<b>Net increase in cash and cash equivalents</b>	<b>(402,630)</b>	<b>(6,967,810)</b>
<b>Cash and cash equivalents (opening balance)</b>	<b>4,745,147</b>	<b>11,712,957</b>
<b>Cash and cash equivalents (closing balance)</b>	<b>4,342,517</b>	<b>4,745,147</b>

**Note:**

- 1 Previous Year figures have been regrouped wherever considered necessary.
- 2 Increase/decrease in short term borrowing are net of repayments.

As per our report of even date

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


  
**M.P. Jain**  
Partner  
M.No. 082407

Place: New Delhi  
Dated: 23rd May, 2018



For and on behalf of the Board Of Directors of  
**JINDAL ITF LIMITED**

  
**Sunil Kumar Trehan**  
Whole Time Director  
DIN - 00454475

  
**Rakesh Kumar Mandora**  
Chief Financial Officer  
M. No. 502742

  
**Sunil Kumar Jain**  
Director  
DIN - 01308863

  
**Megha Gupta**  
Company Secretary  
M. No. A25008

**STATEMENT OF CHANGES IN EQUITY**  
**JINDAL ITF LIMITED**

**Statement of Changes in Equity for the year ended 31st March, 2018**

**A. Equity Share Capital**

	(Amount in Rs.)		
	Balance as at 1st April, 2016	Changes in equity share capital during the year	Balance as at 31st March, 2017
	275,225,770	309,537,930	584,763,700
		206,842,160	791,605,860

**B. Other Equity**

Particulars	Equity component of compound financial instruments**	Reserves and Surplus		Items of Other Comprehensive Income	Total
		Securities Premium Reserve	Retained Earnings		
<b>Balance as at April 1, 2016</b>	1,099,860,762	490,451,540	(2,554,555,829)	(396,995)	(964,640,522)
Loss for the year 2016-17	-	-	(1,981,971,640)	-	(1,981,971,640)
Remeasurements of the net defined benefit Plans for the year 2016-17	-	-	-	215,669	215,669
Issued during the year	327,000,000	619,075,860	-	-	946,075,860
Less : Converted into Equity Shares during the year	(165,999,990)	-	-	-	(165,999,990)
Less : Adjusted for Debenture Redemption Premium	-	(94,577,307)	-	-	(94,577,307)
<b>Balance as at March 31, 2017</b>	1,260,860,772	1,014,950,093	(4,536,527,469)	(181,326)	(2,260,897,930)
Loss for the year 2017-18	-	-	(2,957,651,601)	-	(2,957,651,601)
Remeasurements of the net defined benefit Plans for the year 2017-18	-	-	-	805,007	805,007
Issued during the year	-	413,684,320	-	-	413,684,320
Less : Converted into Equity Shares during the year	(161,000,010)	-	-	-	(161,000,010)
Less : Adjusted for Debenture Redemption Premium	-	(9,501,890)	-	-	(9,501,890)
<b>Balance as at March 31, 2018</b>	1,099,860,762	1,419,132,523	(7,494,179,070)	623,681	(4,974,562,104)

\* refer note no. 15 j & k

\*\* opening Equity component of compound financial instruments (refer note no. 15 I)

Significant Accounting Policies and Notes to Financial Statements

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

Chartered Accountants

Firm Registration No. 002368N



**M.P. Jain**

Partner

M.No. 082407

Place: New Delhi

Dated: 23rd May, 2018

For and on behalf of Board of Directors of Jindal ITF Limited

**Sunil Kumar Trehan**  
Whole Time Director  
DIN - 00454475

**Sunil Kumar Jain**  
Director  
DIN - 01308863

**Megha Gupta**  
Company Secretary  
M. No. A25008



**Rakesh Kumar Mandora**  
Chief Financial Officer  
M. No. 502742

**IINDAL ITF LIMITED**

**Notes forming part of Balance sheet**

**Note-1**

**Property, Plant and Equipment**

Particulars	(Amount in Rs.)									
	Barges	Temporary Structure	Computers	Plant and Equipment	Furniture and Fixtures	Vessels	Office Equipment	Vehicle	Total	
<b>Gross Block</b>										
As of April 1, 2016	2,902,248,082	597,470	5,641,576	10,324,958	1,365,539	864,025,353	2,792,106	1,782,828	3,788,777,912	
Additions	-	-	3,321,466	19,369,559	182,925	947,836,037	1,065,544	1,988,502	973,764,033	
Disposal/Adjustments	465,357,265	(424,687)	-	424,687	-	-	-	-	465,357,265	
As at March 31, 2017	2,436,890,817	1,022,157	8,963,042	29,269,830	1,548,464	1,811,861,390	3,857,650	3,771,330	4,297,184,680	
Additions	-	178,500	75,535	6,876,620	-	-	800,541	-	7,931,196	
Disposal/Adjustments	-	-	-	-	-	1,565,414,639	71,399	1,014,667	1,566,500,705	
As at March 31, 2018	2,436,890,817	1,200,657	9,038,577	36,146,450	1,548,464	2,46,446,751	4,586,792	2,756,663	2,738,615,171	
<b>Accumulated Depreciation</b>										
As of April 1, 2016	191,215,863	544	2,482,614	225,430	264,913	25,746,067	860,436	19,089	220,814,956	
Charge for the year	94,428,754	623,844	1,964,844	2,493,921	143,576	72,141,858	655,137	291,668	172,743,602	
Disposal/Adjustments	42,704,621	-	-	-	-	-	-	-	42,704,621	
As at March 31, 2017	242,939,996	624,388	4,447,458	2,719,351	408,489	97,887,925	1,515,573	310,757	350,853,937	
Charge for the year	83,772,322	199,157	2,068,802	1,920,028	152,098	122,617,335	810,386	352,779	211,892,907	
Disposal/Adjustments	-	-	-	-	-	110,494,994	13,407	91,112	110,599,513	
As at March 31, 2018	326,712,318	823,545	6,516,260	4,639,379	560,587	110,010,266	2,312,552	572,424	452,147,331	
<b>Net carrying amount</b>										
As at March 31, 2017	2,193,950,821	397,769	4,515,584	26,550,479	1,139,975	1,713,973,465	2,342,077	3,460,573	3,946,330,741	
As at March 31, 2018	2,110,178,499	377,112	2,522,317	31,507,071	987,877	136,436,485	2,274,240	2,184,239	2,286,467,840	

Note:

1) Vessel includes value of vessel taken on finance lease, net carrying amount of the same is as under:

Particulars	Period	Vessel
Gross block	As at March 31, 2018	-
	As at March 31, 2017	548,752,034
Accumulated depreciation	As at March 31, 2018	-
	As at March 31, 2017	20,852,577
Net block	As at March 31, 2018	-
	As at March 31, 2017	527,899,457



**JINDAL ITF LIMITED****Notes forming part of Balance sheet****Note-2****Intangible Assets****(Amount in Rs.)**

<b>Particulars</b>	<b>Software</b>	<b>Total</b>
<b>Gross Block</b>		
As at April 1, 2016	19,462,792	19,462,792
Additions	177,626	177,626
As at March 31, 2017	19,640,418	19,640,418
Additions	-	-
As at March 31, 2018	<b>19,640,418</b>	<b>19,640,419</b>
<b>Accumulated Depreciation</b>		
As at April 1, 2016	6,613,138	6,613,138
Charge for the year	4,163,134	4,163,134
As at March 31, 2017	10,776,272	10,776,272
Charge for the year	4,110,777	4,110,777
As at March 31, 2018	<b>14,887,049</b>	<b>14,887,049</b>
<b>Net carrying amount</b>		
As at March 31, 2017	8,864,146	8,864,146
As at March 31, 2018	<b>4,753,369</b>	<b>4,753,369</b>



**JINDAL ITF LIMITED**

**Notes forming part of Balance sheet**

**Note-3**

**NON-CURRENT INVESTMENTS**

		As at 31st March 2018			As at 31st March 2017		
Sr. No.	PARTICULARS	Nos.	Face Value (Rs.)	Amount (Rs.)	Nos.	Face Value (Rs.)	Amount (Rs.)
A	Unquoted Investment in Subsidiary (At Cost) Equity Shares Fully Paid Up Sulog Transshipment Services Limited#	26,900,571	10	617,166,526	26,900,571	10	617,166,526
	<b>Aggregate value of unquoted investments</b>			<b>617,166,526</b>			<b>617,166,526</b>
B	Quoted Investments						
	Adani Ports and SEZ Limited	10	2	3,541	10	2	2,677
	Coal India Limited	10	10	2,833	10	10	3,582
	Oil & Natural Gas Corporation Limited	15	5	2,667	15	5	4,046
	Power Finance Corporation Limited	20	10	1,713	20	10	2,355
	Reliance Industries Limited*	20	10	17,654	10	10	9,550
	<b>Aggregate value of quoted investments</b>			<b>28,408</b>			<b>22,210</b>
	<b>Total value of Non Current Investments</b>			<b>617,194,934</b>			<b>617,188,736</b>
	Aggregate Market value of quoted investment			28,408			25,225

# During the previous year the Company has acquired 100% shareholding i.e. 2,69,00,571 shares of face value of Rs.10 each at agreed price of Rs. 61,71,66,526/- of Sulog Transshipment Services Limited from Sulog Holdings (Netherlands) B.V.

\* Bonus shares received in the ratio of 1:1 during the year.



**IINDAL ITF LIMITED**  
**Notes forming part of Balance sheet**

DESCRIPTION	(Amount in Rs.)	
	As at 31st March, 2018	As at 31st March, 2017
<b>4 Non-current loans</b>		
<b>Loan to related parties</b>		
Unsecured, Considered good		
JITF Urban Infrastructure Ltd	310,489,706	272,630,648
Jindal Rail Infrastructure Ltd.	61,440,199	55,791,327
JITF Urban Infrastructure Services Ltd	193,643,826	650,766,664
<b>Total Non-current loans</b>	<b>565,573,731</b>	<b>979,188,639</b>
<b>5 Other Financial Assets (Non Current)</b>		
Unsecured, Considered good		
Lease rent receivable	1,366,395,040	1,231,183,397
<b>Total Other Financial assets (non Current)</b>	<b>1,366,395,040</b>	<b>1,231,183,397</b>
<b>6 Deferred Tax Assets (net)</b>		
The balance comprises temporary differences attributable to:		
<b>(a) Deferred Tax Liability</b>		
Difference between book and tax base related to fixed assets	382,176,467	615,435,063
<b>Total Deferred Tax Liabilities</b>	<b>382,176,467</b>	<b>615,435,063</b>
<b>(b) Deferred Tax Assets</b>		
Carried forward losses	3,384,798,151	2,984,832,052
Disallowance under Income Tax Act,1961	927,806	550,387
<b>Total Deferred Tax assets</b>	<b>3,385,725,957</b>	<b>2,985,382,439</b>
<b>Total Deferred tax assets (net) [(b-a)]</b>	<b>3,003,549,490</b>	<b>2,369,947,376</b>
<b>7 Other Non Current Assets</b>		
Capital Advances	664,249	664,249
<b>Total Non Current Assets</b>	<b>664,249</b>	<b>664,249</b>
<b>8 Inventories</b>		
Stores and Spares	58,823,020	98,745,422
Fuel and Lubricants	12,995,488	100,792,400
<b>Total Inventories</b>	<b>71,818,508</b>	<b>199,537,822</b>
<b>9 Trade Receivables</b>		
Unsecured, Considered good	468,905,245	396,024,639
<b>Total Trade Receivables</b>	<b>468,905,245</b>	<b>396,024,639</b>
<b>10 Cash and Cash Equivalents</b>		
Balances with Banks		
In Current Accounts	4,322,777	4,723,004
Cash on Hand	19,740	22,143
<b>Total Cash and Cash Equivalents</b>	<b>4,342,517</b>	<b>4,745,147</b>
<b>11 Other Bank Balances</b>		
Deposits with remaining maturity less than 12 months and other than considered in cash and cash equivalent*	216,070,800	68,933,200
<b>Total Other Bank Balances</b>	<b>216,070,800</b>	<b>68,933,200</b>
<i>*Pledged with Bank as margin for Bank guarantee.</i>		
<b>12 Other Financial Assets</b>		
Lease Rent Receivable	-	198,255,475
Security Deposit	63,276,564	63,165,614
Interest accrued on Fixed deposit	4,483,052	2,318,162
<b>Advances Recoverable</b>		
Unsecured, Considered good		
Receivable from related party (refer note no. 13 of notes on accounts)	-	5,858,686
<b>Total other Financial assets</b>	<b>67,759,616</b>	<b>269,597,937</b>



**JINDAL ITF LIMITED****Notes forming part of Balance sheet**

DESCRIPTION	(Amount in Rs.)	
	As at 31st March, 2018	As at 31st March, 2017
<b>13 Current Tax Assets</b>		
Advance Taxation (net)	100,222,247	80,578,032
<b>Total Current tax assets</b>	<b>100,222,247</b>	<b>80,578,032</b>
<b>14 Other Current Assets</b>		
Other Receivables*	550,461,687	356,079,410
Prepaid Expenses	7,903,886	31,203,810
Advance to vendors	28,854,021	27,906,381
Due from Employees	141,192	572,241
<b>Total Other Current Assets</b>	<b>587,360,786</b>	<b>415,761,842</b>
*GST Receivable, etc.		
<b>15 SHARE CAPITAL</b>		
<b>(a) AUTHORISED SHARE CAPITAL</b>		
7,92,00,000 Equity Shares of 10/-each	792,000,000	790,000,000
2,01,00,000 Preference Shares of 100/-each	2,010,000,000	2,010,000,000
	<b>2,802,000,000</b>	<b>2,800,000,000</b>
<b>(b) ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
<b>Equity shares</b>		
7,91,60,586 (Previous year 5,84,76,370) Equity Shares of 10/-each fully paid up	791,605,860	584,763,700
	<b>791,605,860</b>	<b>584,763,700</b>
<b>(c) RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR</b>		
<b>Equity Shares</b>		
Shares outstanding at the beginning of the year	58,476,370	27,522,577
Add: Shares issued during the year (refer note no.15 j & k below)	20,684,216	30,953,793
Shares outstanding at the end of the year	<b>79,160,586</b>	<b>58,476,370</b>
<b>(d) SHARE OF THE COMPANY HELD BY HOLDING COMPANY :-</b>		
Jindal Saw Limited		
No. of Shares Held	40,374,889	29,823,112
Sulog Holdings (Netherlands) B.V. Netherlands		
No. of Shares Held	20,570,360	15,203,693
Glebe Trading Private Limited		
No. of Shares Held	8,966,377	13,449,565
Danta Enterprises Private Limited		
No. of Shares Held	9,248,960	
<b>(e) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY ARE AS UNDER:</b>		
<b>Name of the Equity Shareholder</b>		
<b>Jindal Saw Limited*</b>		
No. of Shares Held	40,374,889	29,823,112
% of Holding	51.003777%	51.00%
* Including 800 Shares (Previous year 800 shares) held by Person/Companies as nominee of Jindal Saw Limited.		
<b>Sulog Holdings (Netherlands) B.V. Netherlands</b>		
No. of Shares Held	20,570,360	15,203,693
% of Holding	26%	26.00%
<b>Glebe Trading Private Limited</b>		
No. of Shares Held	8,966,377	13,449,565
% of Holding	11%	23.00%
<b>Danta Enterprises Private Limited</b>		
No. of Shares Held	9,248,960	Nil
% of Holding	12%	Nil



**JINDAL ITF LIMITED****Notes forming part of Balance sheet**

DESCRIPTION	(Amount in Rs.)	
	As at 31st March, 2018	As at 31st March, 2017
(f) Aggregate number of shares issued for consideration other than cash.	Nil	Nil
(g) Aggregate number of bonus shares issued and bought back shares during the period of five years immediately preceding the reporting date.	Nil	Nil
(h) <b>Terms/Rights attached to Equity Shares</b> The Company has only one class of equity shares having a par value of Rs.10/- per equity share. Each equity shareholder is entitled to one vote per share.		
(i) <b>Nature and purpose of reserves</b> Security premium account is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium reserve account and can use this reserve for buy-back of shares and can also use for redemption of Debenture.		
(j) <b>Compound Financial Instrument</b> In previous year 327 Zero Coupon Compulsorily Convertible Debentures of face value of Rs10,00,000/-each were issued to Sulog Holdings (Netherlands) B.V, Netherlands. Out of 327 CCDs, 166 CCDs were converted into 55,33,333 Equity shares on 01.08.2016 and in current year remaining 161 CCDs converted on 11th April, 2017 in to 53,66,667 equity shares of Rs.10/- at a premium of Rs. 20/- each has been issued to Sulog Holdings (Netherlands) B.V, Netherlands.		
(k) 1,53,17,549 no. of equity shares of Rs. 10 each at a premium of Rs. 20 each has been issued to Jindal Saw Limited upon conversion of 0% 222CCD's of face value of Rs 10 Lac each.		
(l) 0.01% 2,01,00,000 redeemable preference shares of face value of Rs100/-each issued to Jindal Saw Limited upon conversion of debt taken from holding company i.e. Jindal Saw Limited. The Preference shares are redeemable after seven years from date of allotment i.e. 16th December, 2015. The instrument is a Compound Financial instrument. The Liability Component is measured at amortized cost determined using interest rate of similar instrument without conversion option. The balance portion is classified as equity.		

**16 NON CURRENT BORROWINGS****(a) SECURED BORROWINGS**

(i) Term Loan From Banks*	-	2,649,974,584
(ii) Term Loan From NBFC**	1,627,898,690	909,805,369

**Sub Total Secured Borrowings**

<b>1,627,898,690</b>	<b>3,559,779,953</b>
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\* In previous year Term Loan of Rs. 2,91,99,76,384/- (including Rs. 9,92,79,197/- shown in current maturity was refinanced by Indusind Bank) was outstanding from consortium banks headed by ICICI) is secured by first pari-passu charge on barges, first pari passu charge on existing fixed infrastructure and hypothecation of all movable fixed assets both present and future. The loan is further secured by corporate guarantee of Jindal saw Limited. Term loan carries interest @10.60 % p.a and repayable in 24 quarterly installments as follows: FY 2017-18 Rs 992.79 Lacs FY 2018-19 Rs. 2686.38 Lacs FY 2019-20 Rs 4058.77 Lacs FY 2020-21 Rs 7679.54 Lacs FY 2021-22 Rs 8759.93 Lacs and FY 2022-23 Rs 5022.36 Lacs.

\*\* (i) During the year Term Loan taken from JM Financial Products Ltd. of Rs.100 crores (including Rs. 10,52,00,000/- included in current maturity). Loan is secured by First pari passu charge on the existing barges (excluding barges and other assets exclusively charged to Indostar Capital Finance Ltd.), and mechanical handling system crane, conveyor and Jetty of NTPC Project and current assets of the company. The loan is also secured by way of corporate guarantee of Jindal Saw Limited, Glebe Trading Pvt. Ltd. and Danta Enterprises Pvt. Ltd.. Loan is also secured by pledge of shares of JSW Steel, JSW Energy & JSPL. Term loan carries interest @10.60% p.a and repayable as follows: FY 2019-20 Rs 1580 Lacs, FY 2020-21 Rs 3156 Lacs, FY 2021-22 Rs 3156 Lacs and FY 2022-23 Rs 1056Lacs.



**JINDAL ITF LIMITED**  
**Notes forming part of Balance sheet**

DESCRIPTION	(Amount in Rs.)	
	As at 31st March, 2018	As at 31st March, 2017
** (i) Term Loan from Indostar Capital Finance Ltd of Rs.92 Crores (including Rs. 18,00,00,000/- included in current maturity). Loan is secured by way of First & Exclusive charge on Land located in Bharuch and corporate guarantee of JITF Shipyards Limited and First & Exclusive charge by way of pledge of 100% of shares of JITF Shipyards Limited. (previous year it was secured by First pari-passu charge on transhipper purchased from proceeds of the loan. Loan is also secured by way of Pledge of 12% shares of the company held by Jindal Saw Limited and by way of corporate Guarantee of Jindal Saw Limited). Term loan carries interest@13.10% p.a and repayable as follows: FY 2019-20 Rs 2500 Lacs, FY 2020-21Rs. 3200 Lacs and FY 2021-22 Rs. 1700 Lacs.		
Term Loan is net off amortization cost		
<b>(b) UNSECURED BORROWINGS</b>		
<b>Liability component of financial instrument</b>		
0.01% Redeemable Preference Shares(refer note no 15(i))	910,139,238	910,139,238
<b>Loans from related parties#</b>		
- JITF Commodity Tradex Limited	1,019,492,211	948,701,920
- Glebe Trading Private Limited	258,994,248	970,946,003
- Danta Enterprises Private Limited	348,453,310	216,727,626
<b>Sub Total Unsecured Borrowings</b>	<b>2,537,079,007</b>	<b>3,046,514,787</b>
<b>Total Non Current Borrowings(a+b)</b>	<b>4,164,977,697</b>	<b>6,606,294,740</b>
# Term Loan from related parties is repayable upto 31st March,2020 and carries interest @ 10.75% to 12%. There is no default in repayment of principal and interest.		
<b>17 NON CURRENT PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Leave Encashment	2,713,609	4,209,966
<b>Total Non Current Provisions</b>	<b>2,713,609</b>	<b>4,209,966</b>
<b>18 CURRENT BORROWINGS</b>		
<b>(a) Working Capital Demand Loans</b>		
<b>Secured</b>		
From Banks*	72,688,322	185,196,208
<b>Sub Total (a)</b>	<b>72,688,322</b>	<b>185,196,208</b>
<b>(b) Loans and advances from related parties</b>		
<b>Unsecured</b>		
- Jindal Saw Limited	6,859,829,539	3,525,051,510
<b>Sub Total (b)</b>	<b>6,859,829,539</b>	<b>3,525,051,510</b>
<b>Total Current Borrowings (a+b)</b>	<b>6,932,517,861</b>	<b>3,710,247,718</b>
* Working capital loan is secured by hypothecation of company's entire current assets including receivables and operating cash flow, both present and future. Facility is also secured by second pari passu charge on all movable fixed assets of the company.		
<b>19 TRADE PAYABLES</b>		
Dues to Micro and Small enterprises*	-	-
Dues to other than Micro and Small enterprises	63,428,168	169,361,740
<b>Total Trade Payables</b>	<b>63,428,168</b>	<b>169,361,740</b>

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



**JINDAL ITF LIMITED**  
**Notes forming part of Balance sheet**

DESCRIPTION	(Amount in Rs.)	
	As at 31st March, 2018	As at 31st March, 2017
<b>20 Other Financial Liabilities</b>		
Current maturities of long term debts	285,200,000	179,279,197
Current maturities of Debentures (including CCDs)	-	528,500,000
Provision for Premium on Redemption of debentures	-	283,748,010
Interest accrued but not due	9,212,350	30,754,657
Payable to Related Party		
Jindal Intellicom Ltd.	-	157,716
JITF Water Infrastructure Ltd.	-	24,533,822
Capital Creditors	8,358,340	8,358,340
Due to employee	6,000,725	12,079,166
Security deposits	117,900	117,900
Interest accrued on Liability Component of Financial Instrument	270,885,171	144,532,560
Finance Lease Obligation	-	369,936,085
Other Liabilities*	120,787,644	128,814,991
<b>Total other Financial Liabilities</b>	<b>700,562,130</b>	<b>1,710,812,444</b>
* Comprises of Provision for expenses etc.		
<b>21 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	405,297	-
Other payable	-	1,500,000
Advance Received Under Litigation (refer note no. 15 of Notes of Accounts)	1,585,005,003	
Statutory Dues	93,803,428	62,083,652
<b>Total Other Current Liabilities</b>	<b>1,679,213,728</b>	<b>63,583,652</b>
<b>22 CURRENT PROVISIONS</b>		
<b>For Employee Benefits</b>		
Leave Encashment	621,423	169,874
<b>Total Current Provisions</b>	<b>621,423</b>	<b>169,874</b>



**JINDAL ITF LIMITED****Notes forming part of Statement of Profit and Loss**

(Amount in Rs.)

<b>DESCRIPTION</b>	<b>For the Year ended 31st March 2018</b>	<b>For the Year ended 31st March 2017</b>
<b>23 Revenue from Operation</b>		
Coal handling and transportation	47,710,927	54,298,788
Cargo freight revenue - Bulk	-	501,600
Interest from Finance Lease	65,614,544	213,480,370
Charter hire revenue	127,814,484	99,456,956
Other operational income	6,546,754	2,265,322
<b>Total Revenue from Operation</b>	<b>247,686,709</b>	<b>370,003,036</b>
<b>24 Other Income</b>		
Interest income		
On Income Tax Refund	169,786	-
On Inter corporate loans	79,316,769	107,641,930
On Fixed Deposits with banks	21,108,785	6,091,154
Miscellaneous Income	13,300,673	14,345,731
Gain on fair valuation of Non Current Investment	6,198	-
<b>Total Other Income</b>	<b>113,902,211</b>	<b>128,078,815</b>
<b>25 Operational Expenses</b>		
Fuel Consumption	279,727,161	421,254,091
Vessel/Barge/Equipment Hire Charges	147,830,401	406,250,967
Transshipment Charges	215,996	-
Crew Management Expenses	80,442,035	121,596,547
Port and Clearance Charges	57,576,484	74,093,581
Insurance	45,824,708	65,533,604
Demurrage and Detention	5,325,197	30,565,496
Repair and Maintenance	182,111,952	285,817,588
Other operating expenses	38,765,858	73,285,907
<b>Total Operational Expenses</b>	<b>837,819,792</b>	<b>1,478,397,781</b>
<b>26 Employee Benefits Expense</b>		
Salaries and Wages	160,442,121	236,906,008
Contribution to provident and other funds	3,700,729	4,397,917
Workmen and Staff Welfare Expenses	2,223,996	5,113,675
<b>Total Employee Benefits Expense</b>	<b>166,366,846</b>	<b>246,417,600</b>



**JINDAL ITF LIMITED****Notes forming part of Statement of Profit and Loss**

(Amount in Rs.)

<b>DESCRIPTION</b>	<b>For the Year ended 31st March 2018</b>	<b>For the Year ended 31st March 2017</b>
<b>27 Finance Costs</b>		
Interest Expenses		
On Term Loan	374,716,667	444,617,141
On Working Capital Loan	17,589,116	21,815,610
On Debentures	8,296,493	49,509,748
On Inter corporate deposit	814,969,198	465,562,368
Others Interest	2,208,415	209,817
Interest Expense towards discounting of securities	126,352,611	112,814,831
Interest on Finance lease	13,818,186	33,571,377
Bank Charges	258,245,366	46,486,496
<b>Total Finance Costs</b>	<b>1,616,196,052</b>	<b>1,174,587,388</b>
<b>28 Depreciation and Amortisation expense</b>		
Depreciation	211,892,907	172,743,602
Amortisation	4,110,777	4,163,134
<b>Total Depreciation and Amortisation expense</b>	<b>216,003,684</b>	<b>176,906,736</b>
<b>29 Other Expenses</b>		
Rates and Taxes	1,730,048	2,782,316
Legal and Professional Fees	141,745,850	45,355,506
Business Promotion	832,882	482,777
Travelling Expenses	17,134,975	30,282,946
Office Maintenance Charges	5,045,531	8,217,066
Rent	4,521,113	4,476,353
Auditors Remuneration		
As audit Fees	240,000	240,000
As Tax audit Fees	-	50,000
Other matters	1,200	-
Communication costs	9,879,179	9,202,859
Printing and Stationery	201,813	470,387
Repair & Maintenance	810,132	946,734
Director's Meeting Fees	165,525	366,975
Loss/(Gain) On Foreign Exchange Fluctuation	806,031	(14,786,422)
Miscellaneous Expenses	25,573,796	11,756,469
<b>Total Other Expenses</b>	<b>208,688,075</b>	<b>99,843,966</b>



# Jindal ITF Limited

## Significant Accounting Policies and Notes of Financial Statement

### Note no-30

#### 1. Corporate and General Information

Jindal ITF Limited is a Company incorporated on 18<sup>th</sup> September, 2007 with the main object to carry on the business of Infrastructure development, Transportation, promoters, builders, colonizers, architects etc. in and outside India.

#### 2. Basis of preparation

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

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

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 4 on critical accounting estimates, assumptions and judgements).

#### 3.0 Significant Accounting Policies

##### 3.1 Basis of Measurement

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

- financial assets and liabilities except borrowings carried at amortised cost,
- defined benefit plans – plan assets measured at fair value,
- Property, plant and equipment

##### 3.2 Property, Plant and Equipment

On transition to IND AS, the Company has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment at fair value. Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates which are different from one specified in Schedule II to the Companies Act, 2013. 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. Changes in the expected useful life of assets are treated as change in accounting estimates. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:



**Jindal ITF Limited**  
**Significant Accounting Policies and Notes of Financial Statement**  
**Note no-30**

Category of Assets	Years
-Leasehold assets (vessel)	Lease period
<b>Equipment &amp; Machinery</b>	
-Plant and Machinery	15
-Barges	28
-Vessel	25
<b>Other equipment, operating and office equipment</b>	
-Computer equipment	3
-Temporary Structure	3
-Office furniture and equipment	3-5
-Vehicles	10

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. Overhauling Dry dock cost incurred on vessel is capitalised and would be depreciated over 30 months.

### 3.3 Intangible Assets

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

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

### 3.4 Impairment of non-current assets

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

### 3.5 Cash and cash equivalents

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

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

### 3.6 Inventories

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



# Jindal ITF Limited

## Significant Accounting Policies and Notes of Financial Statement

### Note no-30

#### 3.7 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

##### Finance lease

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Assets given by lessor under finance lease are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease receipts are apportioned between the reduction of lease receivable and finance income so as to achieve a constant rate of interest on the remaining balance of the receivable for each period. The corresponding rent receivables, net of finance charges, are included in current and non-current other financial asset. The interest element of lease is accounted in the Statement of Profit and Loss over the lease period.

Assets taken on lease are capitalised at the commencement of the lease at the inception date at lower of fair value of the leased property or present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit or Loss. A leased asset is depreciated over the useful life of the asset.

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

##### Operating lease

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Payments/receipts under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

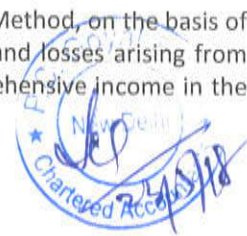
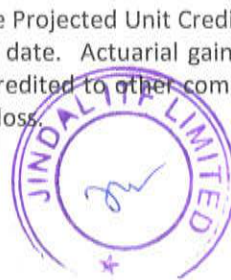
#### 3.8 Employee benefits

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

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

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

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



# Jindal ITF Limited

## Significant Accounting Policies and Notes of Financial Statement

### Note no-30

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

#### 3.9 Foreign currency reinstatement and translation

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

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

##### (b) Transactions and balances

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

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

#### 3.10 Financial instruments – initial recognition, subsequent measurement and impairment

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

##### a. Financial Assets

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

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

#### Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

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

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

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

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



# Jindal ITF Limited

## Significant Accounting Policies and Notes of Financial Statement

### Note no-30

#### Investment in equity shares

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in equity securities are held for trading purposes. The fair value gains or losses of all other equity securities are recognized in Other Comprehensive Income.

#### a) Financial Liabilities

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

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

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

#### ii. Financial liabilities measured at amortized cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR").

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

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

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

#### Trade and other payables

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

#### 3.11 Compound financial instruments

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

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

#### 3.12 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.



# Jindal ITF Limited

## Significant Accounting Policies and Notes of Financial Statement

### Note no-30

#### 3.13 Borrowing costs

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

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

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

#### 3.14 Taxation

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

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

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

#### 3.15 Revenue recognition and other operating income

##### *Sale of services*

Revenue from Coal transportation through inland waterways is recognised on complete voyage basis/upon unloading of the vessel/barge depending upon the risk and rewards transferred.

Freight and demurrage earnings are recognized on completed voyage basis/ upon loading of the Vessel depending upon the risk and rewards transferred. Time Charter earning are recognized on accrual basis except where the charter party agreements have not been renewed/ finalized, in which case it is recognized on provisional bases.

##### *Other Income*

##### **Interest**

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

##### **Dividend**

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



# Jindal ITF Limited

## Significant Accounting Policies and Notes of Financial Statement

### Note no-30

#### 3.16 Earnings per share

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

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

#### 3.17 Provisions and contingencies

##### Provisions

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

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

Refer Note no 3.8 for provision relating to gratuity and leave encashment.

##### Contingencies

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

#### 3.18 Investment in Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

#### 3.19 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.



# Jindal ITF Limited

## Significant Accounting Policies and Notes of Financial Statement

### Note no-30

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

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

#### 3.20 Recent accounting pronouncements

Standards issued but not yet effective

##### Ind AS 115 - Revenue from Contracts with Customers

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

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

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

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

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

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

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

(a) *Property, plant and equipment*

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.



# Jindal ITF Limited

## Significant Accounting Policies and Notes of Financial Statement

### Note no-30

On transition to IND AS, the Company has adopted optional exemption under IND AS 101 for fair valuation of property, plant and equipment, subsequent to fair valuation depreciation has been charged on fair valued amount less estimated salvage value. Property, plant and equipment also represent a significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

#### (b) Intangibles

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

Before transition to IND AS, the company has revisited the useful life of the assets and the impact of change in life on transition is considered in opening carrying values. Also all Intangibles are carried at net book value on transition.

#### (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.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

#### (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 actual as levy by customer.

## 5. Financial risk management

### 5.1 Financial risk factors

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



# Jindal ITF Limited

## Significant Accounting Policies and Notes of Financial Statement

### Note no-30

#### i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: currency rate risk, interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of March 31, 2018 and March 31, 2017.

#### ii) Credit risk

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

#### iii) Liquidity risk.

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

#### Market Risk

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

#### *(a) Foreign exchange risk and sensitivity*

The Company transacts business primarily in Indian Rupee. However, certain expenditures are incurred in foreign currency. The Company has foreign currency trade payables and is therefore, exposed to foreign exchange risk.

The following table demonstrates the sensitivity in the USD, Euro, AED and Yen, etc. to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is given below:



**Jindal ITF Limited**  
**Significant Accounting Policies and Notes of Financial Statement**  
**Note no-30**

Particulars	Change in currency exchange rate	Effect on profit before tax
<b>For the year ended March 31, 2018</b>		
USD	+ 5%	(385,149)
	- 5%	385,149
EUR	+ 5%	(4,517)
	- 5%	4,517
AED	+ 5%	(3,993)
	- 5%	3,993
JPY	+ 5%	(5,351)
	- 5%	5,351
GBP	+ 5%	(1,233)
	- 5%	1,233
<b>For the year ended March 31, 2017</b>		
USD	+ 5%	(591,116)
	- 5%	591,116
EUR	+ 5%	(151,084)
	- 5%	151,084
AED	+ 5%	(4,105)
	- 5%	4,105
JPY	+ 5%	(159)
	- 5%	159
GBP	+ 5%	(27,190)
	- 5%	27,190
SGD	+ 5%	(196,830)
	- 5%	196,830

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

Summary of exchange difference accounted in Statement of Profit and Loss:

Particulars	(Amount in Rs.)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Currency Fluctuations</b>		
Net foreign exchange (gain)/loss shown as other expenses	806,031	(14,786,422)
<b>Total</b>	<b>806,031</b>	<b>(14,786,422)</b>

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

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The management also maintains a portfolio mix of floating and fixed rate debt.

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



**Jindal ITF Limited**  
**Significant Accounting Policies and Notes of Financial Statement**  
**Note no-30**

(Amount in Rs.)

Interest rate sensitivity	Increase/Decrease in basis points	Effect on profit before tax
<b>For the year ended March 31, 2018</b>		
INR borrowings	+50	(5,124,220)
	-50	5,124,220
<b>For the year ended March 31, 2017</b>		
INR borrowings	+50	(14,611,050)
	-50	14,611,050

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

**Unused line of credit**

(Amount in Rs.)

Particulars	As of March 31, 2018	As of March 31, 2017
Secured	177,311,678	234,803,792
Unsecured	-	-
<b>Total</b>	<b>177,311,678</b>	<b>234,803,792</b>

**Interest rate & currency of borrowings**

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

(Amount in Rs.)

Particulars	Total Borrowings	Floating rate Borrowings	Fixed rate Borrowings	Weighted Average Interest Rate%
INR	11,382,695,558	1,072,688,322	10,310,007,236	
<b>Total as at March 31, 2018</b>	<b>11,382,695,558</b>	<b>1,072,688,322</b>	<b>10,310,007,236</b>	<b>11.15%</b>
INR	11,024,321,655	2,934,449,989	8,089,871,666	
<b>Total as at March 31, 2017</b>	<b>11,024,321,655</b>	<b>2,934,449,989</b>	<b>8,089,871,666</b>	<b>12.00%</b>

**Credit risk**

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

- Trade Receivables

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

The ageing of trade receivable is as below:



**Jindal ITF Limited**  
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(Amount in Rs.)

Particulars	Not due	Due ageing			Total
		< 6 months	6-12 months	1 year & above	
<b>As at March 31, 2018</b>					
<b>Trade receivables</b>					
Unsecured	-	11,092,236	208,510,133	249,302,876	468,905,245
<b>Gross Total</b>	-	<b>11,092,236</b>	<b>208,510,133</b>	<b>249,302,876</b>	<b>468,905,245</b>

Particulars	Not due	Due ageing			Total
		up to 6 months	6-12 months	Above 12 months	
<b>As at March 31, 2017</b>					
<b>Trade receivables</b>					
Unsecured	-	142,098,555	214,150,112	39,775,972	396,024,639
<b>Gross Total</b>	-	<b>142,098,555</b>	<b>214,150,112</b>	<b>39,775,972</b>	<b>396,024,639</b>

**Liquidity risk**

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

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

(Amount in Rs.)

Particulars	Carrying Amount	Ageing as at March 31,2018			
		On demand/ Overdue	< 6 months	6-12 months	> 1 years
Interest bearing Borrowings	11,382,695,558	6,859,829,539	132,600,000	225,288,322	4,164,977,697
Other financial liabilities	415,362,130	-	129,999,994	285,362,136	-
Trade payable	63,428,168	-	63,428,168	-	-
<b>Total</b>	<b>11,861,485,856</b>	<b>6,859,829,539</b>	<b>326,028,162</b>	<b>510,650,458</b>	<b>4,164,977,697</b>

Particulars	Carrying Amount	Ageing as at March 31,2017			
		On demand/ Overdue	< 6 months	6-12 months	> 1 years
Interest bearing Borrowings	11,024,321,655	3,525,051,510	528,500,000	364,475,405	6,606,294,740
Other financial liabilities	1,003,033,247	24,691,538	463,755,164	514,586,545	-
Trade payable	169,361,740	-	169,361,740	-	-
<b>Total</b>	<b>12,196,716,642</b>	<b>3,549,743,048</b>	<b>1,161,616,904</b>	<b>879,061,950</b>	<b>6,606,294,740</b>

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



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**Capital risk management**

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

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

(Amount in Rs.)

Particulars	As of March 31, 2018	As of March 31, 2017
Loans and borrowings	11,382,695,558	11,024,321,655
Less: cash and cash equivalents	4,342,517	4,745,147
Net debt	11,378,353,041	11,019,576,508
Total capital	(4,182,956,244)	(1,676,134,231)
Capital and net debt	7,195,396,797	9,343,442,277
<b>Gearing ratio</b>	<b>158.13%</b>	<b>117.94%</b>

**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 Rs.)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial assets designated at amortised cost</b>				
Fixed deposits with banks	216,070,800	216,070,800	68,933,200	68,933,200
Cash and bank balances	4,342,517	4,342,517	4,745,147	4,745,147
Investment	28,408	28,408	22,210	22,210
Trade and other receivables	468,905,245	468,905,245	396,024,639	396,024,639
Loan	565,573,731	565,573,731	979,188,639	979,188,639
Other financial assets	1,434,154,656	1,434,154,656	1,500,781,334	1,500,781,334
	<b>2,689,075,357</b>	<b>2,689,075,357</b>	<b>2,949,695,169</b>	<b>2,949,695,169</b>
<b>Financial liabilities designated at amortised cost</b>				
Borrowings- fixed rate	10,310,007,236	10,310,007,236	8,089,871,666	8,089,871,666
Borrowings- floating rate	1,072,688,322	1,072,688,322	2,934,449,989	2,934,449,989
Trade & other payables	63,428,168	63,428,168	169,361,740	169,361,740
Other financial liabilities	415,362,130	415,362,130	1,003,033,247	1,003,033,247
	<b>11,861,485,856</b>	<b>11,861,485,856</b>	<b>12,196,716,642</b>	<b>12,196,716,642</b>



# Jindal ITF Limited

## Significant Accounting Policies and Notes of Financial Statement

### Note no-30

#### Fair Valuation techniques

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

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

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

#### Fair Value hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:

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

#### Fair value hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:

#### Assets/Liabilities measured at fair value through profit and loss account (Accounted)

(Amount in Rs.)

Particulars	As at March 31, 2018		
	Level 1	Level 2	Level 3
Financial assets			
Investment			
- In mutual funds and others	28,408	-	-

Particulars	As at March 31, 2017		
	Level 1	Level 2	Level 3
Financial assets			
Investment			
- In mutual funds and others	22,210	-	



**Jindal ITF Limited**  
**Significant Accounting Policies and Notes of Financial Statement**  
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Assets / Liabilities for which fair value is disclosed

(Amount in Rs.)

Particulars	As at March 31, 2018		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Borrowings- fixed rate		10,310,007,236	
Other financial liabilities		415,362,130	

Particulars	As at March 31, 2017		
	Level 1	Level 2	Level 3
<b>Financial liabilities</b>			
Borrowings- fixed rate		8,089,871,666	
Other financial liabilities		1,003,033,247	

During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Following table describes the valuation techniques used and key inputs to valuation for level 2 March 31, 2018 and March 31, 2017, respectively:

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

Particulars	Fair value hierarchy	Valuation technique	Inputs used	Quantitative information about significant unobservable inputs
<b>Financial assets</b>				
Current Investment	Level 1	Market valuation techniques	As per NAV of Mutual Fund	

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

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

**7. Segment information**

**Information about primary segment**

The Company has only one segment i.e. Coal transportation in India through inland waterways.



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**Information about Geographical Segment – Secondary**

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

(Amount in Rs.)

Particulars	2017-18			2016-17		
	Within India	Outside India	Total	Within India	Outside India	Total
Gross Revenue from Operations	247,686,709	-	247,686,709	370,003,036	-	370,003,036
Non current Assets	2,291,885,458	-	2,291,885,458	3,955,859,136	-	3,955,859,136

**8. Income tax expense**

(Amount in Rs.)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Deferred Tax		
-Relating to origination & reversal of temporary differences	1,098,752,965	1,052,717,021
-Relating to Change in tax rate	(464,840,580)	
<b>Tax (expense)/income attributable to current year's profit</b>	<b>633,912,385</b>	<b>1,052,717,021</b>

**Effective Tax Reconciliation**

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

(Amount in Rs.)

S.No	Description	For the Year ended March 31, 2018	For the Year ended March 31, 2017
	Net Loss (Income) before taxes	3,591,563,985	3,034,802,801
	Enacted tax rates	27.820%	34.608%
	Computed tax Income (expense)	999,173,101	1,050,284,553
	<b>Increase/(reduction) in taxes on account of:</b>		
1	Deferred Tax of previous years	307,761,629	41,475,424
2	Other non deductible expenses	(208,181,765)	(39,042,957)
3	Effect of change in tax rate	(464,840,580)	
	<b>Income tax expense reported</b>	<b>633,912,385</b>	<b>1,052,717,021</b>

**9. Deferred income tax**

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

(Amount in Rs.)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Book base and tax base of Fixed Assets	233,258,597	(64,184,319)
(Disallowance)/Allowance(net) under Income Tax	377,419	(492,957)
Brought forward losses set off	400,276,369	1,117,394,297
<b>Total :</b>	<b>633,912,385</b>	<b>1,052,717,021</b>



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Component of tax accounted in OCI and equity

(Amount in Rs.)

Description	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>Component of OCI</b>		
Deferred Tax (Gain)/Loss on defined benefit	310,270	114,140

**10. Retirement benefit obligations**

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

(Amount in Rs.)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Company's contribution to provident fund	3,553,179	4,283,849
Company's contribution to ESI	83,907	27,976
Company's contribution to superannuation fund	63,643	79,038
<b>Total</b>	<b>3,700,729</b>	<b>4,390,863</b>

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2018 and March 31, 2017, being the respective measurement dates:

**2. Movement in obligation**

(Amount in Rs.)

Particulars	Gratuity (funded)	Leave encashment (unfunded)
Present value of obligation - April 1, 2016	2,006,637	3,226,207
Current service cost	1,218,436	2,091,735
Interest cost	150,498	241,966
Benefits paid	(228,606)	(1,374,446)
Acquisitions / Transfer in/ Transfer out	-	-
Remeasurements - actuarial loss/ (gain)	(320,570)	194,378
<b>Present value of obligation - March 31, 2017</b>	<b>2,826,395</b>	<b>4,379,840</b>
Present value of obligation - April 1, 2017	2,826,395	4,379,840
Current service cost	762,726	1,240,724
Interest cost	219,046	339,437
Benefits paid	(294,827)	(2,890,424)
Acquisitions / Transfer in/ Transfer out	-	-
Remeasurements - actuarial loss/ (gain)	(1,255,403)	265,455
<b>Present value of obligation - March 31, 2018</b>	<b>2,257,937</b>	<b>3,335,032</b>



**Jindal ITF Limited**  
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**3. Movement in Plan Assets – Gratuity**

(Amount in Rs.)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Fair value of plan assets at beginning of year	3,247,850	3,251,280
Expected return on plan assets	251,708	243,846
Employer contributions	42,501	(27,909)
Benefits paid	(294,827)	(228,606)
Amount received on redemption of plan assets	-	-
Acquisitions / Transfer in/ Transfer out	-	-
Actuarial gain / (loss)	(140,126)	9,239
Fair value of plan assets at end of year	3,107,106	3,247,850
Present value of obligation	2,257,937	2,826,395
Net funded status of plan	849,169	421,455
Actual return on plan assets	111,582	253,085

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

**4. Recognised in profit and loss**

(Amount in Rs.)

Particulars	Gratuity	Compensated absence
Current Service cost	762,726	1,240,724
Interest cost	219,046	339,437
Expected return on plan assets	(251,708)	-
Remeasurement - Acturial loss/(gain)	-	265,455
Past service cost	-	-
<b>For the year ended March 31, 2018</b>	<b>730,064</b>	<b>1,845,616</b>
Current Service cost	1,218,436	2,091,735
Interest cost	150,498	241,966
Expected return on plan assets	(243,846)	-
Remeasurement - Acturial loss/(gain)	-	-
Past service cost	-	-
<b>For the year ended March 31, 2017</b>	<b>1,125,088</b>	<b>2,333,701</b>
Actual return on plan assets	111,582	-

**5. Recognised in other comprehensive income**

(Amount in Rs.)

Particulars	Gratuity
Remeasurement - Acturial loss/(gain)	(1,155,277)
<b>For the year ended March 31, 2018</b>	<b>(1,155,277)</b>
Remeasurement - Acturial loss/(gain)	(329,809)
<b>For the year ended March 31, 2017</b>	<b>(329,809)</b>



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

Weighted average actuarial assumptions	As of March 31, 2018	As of March 31, 2017
Attrition rate		
Discount Rate	7.75%	7.50%
Expected Rate of increase in Compensation levels	6.50%	6.50%
Expected Rate of Return on Plan Assets	7.75%	7.50%
Mortality rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of employees (years)	23.40	24.4

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2014-15 as considered in previous GAAP on transition to IND AS.

**7. Sensitivity analysis:**

For the year ended March 31, 2018

(Amount in Rs.)

Particulars	change in Assumption	Effect on Gratuity obligation	Effect on compensated absence obligation
Discount rate	1%	2,037,973	3,015,857
	-1%	2,523,196	3,720,305
Salary Growth rate	1%	2,523,897	3,721,328
	-1%	2,033,726	3,009,690
Withdrawl Rate	1%	2,253,121	3,377,312
	-1%	2,257,714	3,286,044

For the year ended March 31, 2017

(Amount in Rs.)

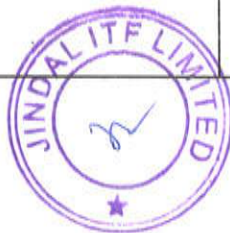
Particulars	change in Assumption	Effect on Gratuity obligation	Effect on compensated absence obligation
Discount rate	1%	2,514,213	3,897,962
	-1%	3,203,345	4,961,285
Salary Growth rate	1%	3,203,345	4,961,285
	-1%	2,508,855	3,889,683
Withdrawl Rate	1%	2,796,210	4,429,840
	-1%	2,851,199	4,322,087

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

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

(Amount in Rs.)

Particulars	Gratuity	Compensated absence
<b>For the year ended March 31, 2018</b>		
Plan Liabilities - loss/(gain)	(1,207,709)	-
Plan Assets - (loss)/gain	(140,126)	-
<b>For the year ended March 31, 2017</b>		
Plan Liabilities - loss/(gain)	(425,318)	-
Plan Assets - (loss)/gain	9,239	-



**Jindal ITF Limited**  
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Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

(Amount in Rs.)

Particulars	Gratuity
01 Apr 2017 to 31 Mar 2019	295,827
01 Apr 2018 to 31 Mar 2020	61,355
01 Apr 2019 to 31 Mar 2021	310,886
01 Apr 2020 to 31 Mar 2022	70,479
01 Apr 2021 to 31 Mar 2023	72,426
01 Apr 2022 Onwards	1,901,473

**9. Statement of Employee benefit provision**

(Amount in Rs.)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Gratuity	-	-
Compensated absences	3,335,032	4,379,840
Other employee benefits	-	-
<b>Total</b>	<b>3,335,032</b>	<b>4,379,840</b>

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

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

**For the year ended March 31, 2018**

(Amount in Rs.)

Particulars	Gratuity	Leave Encashment
Current provision	-	621,423
Non current provision	-	2,713,609
<b>Total Provision</b>	<b>-</b>	<b>3,335,032</b>

**For the year ended March 31, 2017**

(Amount in Rs.)

Particulars	Gratuity	Leave Encashment
Current provision	-	169,874
Non current provision	-	4,209,966
<b>Total Provision</b>	<b>-</b>	<b>4,379,840</b>

**11. Employee benefit expenses**

(Amount in Rs.)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and Wages	160,442,121	236,906,008
Costs-defined contribution plan	3,700,729	4,397,917
Welfare expenses	2,223,996	5,113,675
<b>Total</b>	<b>166,366,846</b>	<b>246,417,600</b>



**Jindal ITF Limited**  
**Significant Accounting Policies and Notes of Financial Statement**  
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( Figures in no.)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Average no of people employed	50	104

**OCI presentation of defined benefit plan**

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

**Presentation in Statement of Profit & Loss and Balance Sheet**

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss. IND AS 19 do not require segregation of provision in current and non-current, however net defined liability ( Assets) is shown as current and non-current provision in balance sheet as per IND AS 1. Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

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

**11. Other disclosures**

a) **Auditors Remuneration** (Amount in Rs.)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Statutory Auditors</b>		
a) Audit Fees	240,000	240,000
b) Tax Audit Fees	-	50,000
<b>Total</b>	<b>240,000</b>	<b>290,000</b>

b) **Details of loans given, investment made and Guarantees given, covered U/S 186(4) of the Companies Act 2013.**

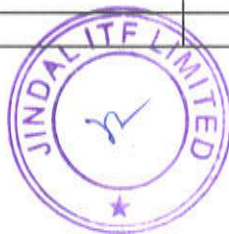
- Loans given and investment made are given under the respective heads
- Corporate Guarantees have been issued on behalf of subsidiary companies, details of which are given in related Party transactions.

**12. Contingent liabilities**

i) **Guarantees**

(Amount in Rs.)

Particulars	As of March 31, 2018	As of March 31, 2017
Guarantees issued by company's banker on behalf of the Company	2,178,323,509	691,129,542
Corporate guarantee issued to lender of fellow subsidiary companies & entities controlled by KMP/KMP of the parent company	918,217,927	1,710,864,930
<b>Total</b>	<b>3,096,541,436</b>	<b>2,401,994,472</b>



**Jindal ITF Limited**  
**Significant Accounting Policies and Notes of Financial Statement**  
**Note no-30**

iii) Other contingent liabilities

(Amount in Rs.)

Particulars	As of March 31, 2018	As of March 31, 2017
Income tax demand against which company has preferred appeal	11,595,540	11,595,540
<b>Total</b>	<b>11,595,540</b>	<b>11,595,540</b>

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

**13. 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. Related parties**

i. **Holding Company**  
 Jindal Saw Limited

ii. **Subsidiaries**  
 Sulog Transhipment Services Limited (w.e.f. 29.06.2016)

iii. **Entities falling under same promoter group**

JITF Urban Infrastructure Services Limited  
 JITF Water Infrastructure Limited  
 Jindal Rail Infrastructure Limited  
 JITF Urban Infrastructure Limited  
 JITF Urban Waste Management (Ferozepur) Limited  
 JITF Urban Waste Management (Jalandhar) Limited  
 JITF Urban Waste Management (Bathinda) Limited  
 Timarpur- Okhla Waste Management Company Private Limited



# Jindal ITF Limited

## Significant Accounting Policies and Notes of Financial Statement

### Note no-30

#### iv. Fellow Subsidiaries

IUP Jindal Metals & Alloys Limited  
S.V. Trading Limited  
Quality Iron and Steel Limited  
Rael Holdings Limited  
Jindal Saw Holdings FZE  
Greenray Holdings Limited  
Jindal Saw Espana, S.L. (Upto 10.03.2017)  
Jindal Tubular (India) Ltd.  
Jindal Quality Tubular Limited (from 15 September 2015)  
JITF Shipyards Limited (formerly known as JITF Waterways Ltd. w.e.f 5th August, 2016)  
JITF Shipping & Logistics (Singapore) Pte. Limited (upto 17.03.2017)  
Universal Tube Technology Private Ltd.- upto 12.04.2016  
Jindal Saw USA, LLC  
Jindal Saw Italia S.P.A.  
Jindal Saw Middle East FZC  
Derwent Sand SARL  
Jindal Saw Gulf L.L.C.  
Jindal International FZE  
Jindal Intellicom Limited  
Icom analytics Limited  
Jindal Tubular U.S.A. LLC  
World Transload & Logistics LLC  
5101 Boone LLP  
Tube Technologies INC  
Helical Anchors INC  
Boone Real Property Holding LLC  
Drill Pipe International LLC  
JITF Coal Logistics Limited (Upto 30.06.2016)

#### v. Associates

Glebe Trading Private Limited  
Jindal Fittings Limited  
Sulog Holdings (Netherlands) B.V. Netherlands

#### vi. Key Management personnel

- Sunil Kumar Trehan (Whole Time Director) (w.e.f 25<sup>th</sup> February, 2016)
- Rakesh Gupta (Chief Financial Officer) (till 14<sup>th</sup> March, 2017)
- Alok Kumar (Company Secretary) (till 31<sup>st</sup> August, 2016)
- Megha Gupta (Company Secretary) (w.e.f. 1<sup>st</sup> September, 2016)
- Rakesh Kumar Mandora (Chief Financial Officer) (w.e.f. 6<sup>th</sup> April, 2017)

#### vii. Entities where key management personnel and their relatives exercise significant influence

Danta Enterprises Private Limited  
Jindal Steel and Power Limited

#### viii. Trust under control

Jindal ITF Limited Employee Group Gratuity Assurance Scheme



**Jindal ITF Limited**  
**Significant Accounting Policies and Notes of Financial Statement**  
**Note no-30**

(Amount in Rs.)

Particulars	Holding Company		Subsidiary/Fellow Subsidiary/Entities under same promotor group/Entities under significant influence of KMPs/Associates	
	Current year	Previous year	Current year	Previous year
	<b>Pref. Shares allotted through transfer of loan during the year:</b>			
Jindal Saw Limited	Nil	Nil	Nil	Nil
<b>Advances given / repaid</b>				
Jindal Saw Limited	2,708,004,295	398,000,000	Nil	Nil
Glebe Trading Private Limited	Nil	Nil	1,549,600,000	626,500,000
Danta Enterprises Private Limited	Nil	Nil	695,000,000	Nil
JITF Commodity Tradex Limited (previously JITF Coal Logistics Limited)	Nil	Nil	1,740,061,610	394,296,856
JITF Urban Infrastructure Services Limited	Nil	Nil	20,000,000	Nil
JITF Urban Infrastructure Ltd.	Nil	Nil	10,000,000	Nil
SULOG transshipment services ltd	Nil	Nil	352,573	Nil
<b>Security Deposit Given</b>				
SULOG transshipment services ltd	Nil	Nil	2,500,000	57,500,000
<b>Investment in Subsidiary</b>				
SULOG transshipment services ltd	Nil	Nil	Nil	617,166,526
<b>Advances taken /received back</b>				
Jindal Saw Limited	5,476,235,876	2,204,089,758	Nil	Nil
Danta Enterprises Private Limited	Nil	Nil	800,000,000	161,500,000
Glebe Trading Private Limited	Nil	Nil	793,600,000	1,518,370,000
JITF Commodity Tradex Limited (previously JITF Coal Logistics Limited)	Nil	Nil	1,714,700,000	705,500,000
JITF Urban Infrastructure Services Limited	Nil	Nil	515,000,000	Nil
SULOG transshipment services Limited	Nil	Nil	Nil	9,196,953
<b>Interest paid</b>				
Jindal Saw Ltd	629,496,051	276,455,983	Nil	Nil
Danta Enterprises Private Limited	Nil	Nil	29,695,205	11,742,026
JITF Commodity Tradex Limited (previously JITF Coal Logistics Limited)	Nil	Nil	106,835,446	89,502,133
Glebe Trading Private Limited	Nil	Nil	48,942,494	87,862,226
<b>Interest received</b>				
JITF Urban Infrastructure Ltd.	Nil	Nil	30,954,509	29,970,210
Jindal Rail Infrastructure Limited	Nil	Nil	6,276,524	6,133,125
JITF Urban Infrastructure Services Limited	Nil	Nil	42,085,736	71,538,595
<b>Interest Accrued on Financial Instrument (Pref. Shares)</b>				
Jindal Saw Limited	126,553,611	112,814,831	Nil	Nil
<b>Expenses incurred by others and reimbursement by company:</b>				
Jindal Saw Limited	1,139,637	2,805,337	Nil	Nil
<b>Services received</b>				
Jindal Intellicom Limited	Nil	Nil	72,187	157,716
Jindal SAW Limited	55,646,354	166,247,108	Nil	Nil
JITF Shipyards Limited	Nil	Nil	24,214,961	12,782,135
iCom Analytics Limited			15,726	Nil
<b>Capital goods/material sale:</b>				
Jindal Saw Limited	7,379,657	Nil	Nil	Nil
JITF Shipyards Limited	Nil	Nil	577,340	Nil
<b>Expenses incurred by company and reimbursement by others:</b>				
Jindal Saw Limited	277,887	Nil	Nil	Nil
<b>Capital goods/material purchase:</b>				
Jindal Steel and Power Limited	Nil	Nil	Nil	25,285,346
Jindal Saw Limited	828,682	Nil	Nil	Nil



**Jindal ITF Limited**  
**Significant Accounting Policies and Notes of Financial Statement**  
**Note no-30**

(Amount in Rs.)

Particulars	Holding Company		Subsidiary/Fellow Subsidiary/Entities under same promoter group/Entities under significant influence of KMPs/Associates	
	Current year	Previous year	Current year	Previous year
<b>Balances as on 31st March, 2017</b>				
<b>Share Capital including Share Premium</b>				
Jindal Saw Limited	403,748,890	2,308,231,120	Nil	Nil
Glebe Trading Private Limited	Nil	Nil	89,663,770	134,495,650
Danta Enterprises Private Limited	Nil	Nil	92,489,600	Nil
<b>Loan Receivable from</b>				
JITF Urban Infrastructure Limited	Nil	Nil	310,489,706	272,630,648
Jindal Rail Infrastructure Ltd.	Nil	Nil	61,440,198	55,791,327
JITF Urban Infrastructure Services Limited	Nil	Nil	193,643,826	650,766,664
<b>Advances Receivable from</b>				
JITF Urban Infrastructure Limited	Nil	Nil	Nil	1,350,000
Jindal Rail Infrastructure Ltd.	Nil	Nil	Nil	900,000
JITF Urban Waste Management (Ferozpur) Ltd	Nil	Nil	Nil	480,500
JITF Urban Waste Management (Bathinda) Ltd	Nil	Nil	Nil	327,500
JITF Urban Waste Management (Jalandhar) Ltd	Nil	Nil	Nil	327,500
Timarpur Okhla Waste Management Co.Pvt It	Nil	Nil	Nil	1,080,000
SULOG transshipment services ltd	Nil	Nil	1,745,759	1,393,186
<b>Amount Receivable from</b>				
JITF Shipyard Ltd.	Nil	Nil	Nil	15,336,261
Jindal Saw Limited	Nil	1,669,916	Nil	Nil
<b>Security Deposit Receivable from</b>				
SULOG transshipment services ltd	Nil	Nil	60,000,000	57,500,000
<b>Investment in Subsidiary</b>				
SULOG transshipment services ltd	Nil	Nil	617,166,526	617,166,526
<b>Loans &amp; Amount Payable to</b>				
Jindal Saw Limited	6,859,829,537	3,525,051,510	Nil	Nil
Danta Enterprises Private Limited	Nil	Nil	348,453,311	216,727,626
Glebe Trading Private Limited	Nil	Nil	258,994,248	970,946,003
JITF Commodity Tradex Limited (previously JITF Coal Logistics Limited)	Nil	Nil	1,019,492,211	948,701,920
<b>Amount Payable to ( for expenses)</b>				
Jindal Saw Limited (for Ocean Business)	Nil	43,320,126	Nil	Nil
JITF Shipyard Ltd.	Nil	Nil	5,570,759	Nil
Jindal Saw Limited	79,079	4,564,401	Nil	Nil
Jindal Intellicom Limited	Nil	Nil	76,663	157,716
iCom Analytics Limited	Nil	Nil	13,187	Nil
JITF Water Infrastructure Ltd	Nil	Nil	Nil	24,433,822
<b>Interest Accrued on Financial Instrument (Pref. Shares)</b>				
Jindal Saw Limited	271,086,171	Nil	Nil	Nil
<b>Amount Receivable (other)</b>				
Jindal Steel and Power Limited	Nil	Nil	Nil	5,592,131



**Jindal ITF Limited**  
**Significant Accounting Policies and Notes of Financial Statement**  
**Note no-30**

(Amount in Rs.)

Particulars	Holding Company		Subsidiary/Fellow Subsidiary/Entities under same promotor group/Entities under significant influence of KMPs/Associates	
	Current year	Previous year	Current year	Previous year
	<b>Corporate Guarantee Outstanding</b>			
JITF Urban Waste Management (Bhatinda) Ltd.	Nil	Nil	191,636,000	239,551,000
JITF Urban Waste Management (Jalandhar) Ltd.	Nil	Nil	-	100,000,000
Timarpur Okhla Waste Management Company Private Ltd.	Nil	Nil	717,264,636	910,058,403
JITF Water Infrastructure Limited	Nil	Nil	9,317,291	188,400,524
Jindal Rail Infrastructure Limited	Nil	Nil	-	272,855,003

**Key Management Personnel (KMP)**

(Amount in Rs.)

Particulars	Year Ended	Year Ended
	March 31, 2018	March 31, 2017
Short-Term employee benefits*	8,484,370	9,579,250
Post-Employment benefits		
- Defined contribution plan\$	438,336	525,963
- Defined benefit plan#	-	163,273
<b>Total</b>	<b>8,922,706</b>	<b>10,268,486</b>

**14. Earnings per share**

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

(Number of shares)

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Issued equity shares	58,476,370	27,522,577
Equity shares issued during the year	20,116,472	7,968,585
Equity shares compulsorily issuable on conversion of CCD	-	21,687,983
<b>Weighted average shares outstanding - Basic and Diluted - A</b>	<b>78,592,842</b>	<b>57,179,145</b>

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

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Profit and loss after tax - B	(2,957,651,601)	(1,981,971,640)
Basic Earnings per share (B/A)	(37.63)	(34.66)
Diluted Earnings per share (B/A)	(37.63)	(34.66)

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

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



# Jindal ITF Limited

## Significant Accounting Policies and Notes of Financial Statement

### Note no-30

15. The Company has filed an arbitration case against NTPC. Pursuant to the interim order of The Hon'ble Arbitral Tribunal, the Company has received Rs.15850.05 Lac during the financial year 2017-18 and Rs. 19781.13 Lac in April, 2018 against MGQ quantity for first year and second year respectively on submission of bank guarantee of said amount. Further, the arbitration will be closed within this financial year.
16. Exceptional Items represent loss on sale of vessels

(Amount in Rs.)

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
<b>Exceptional Items</b>		
Loss on sale of vessels	908,078,456	356,731,181
<b>Total</b>	<b>908,078,456</b>	<b>356,731,181</b>

#### 17. Finance Lease Receivable:

##### Company as Lessor:

The Company has entered into an agreement with NTPC Limited dated 11th August, 2011 to develop the Jetty and Conveyor System at Farakka for transportation and discharge of coal at NTPC's yard. As per the said agreement NTPC will provide land to the company for developing the said jetty and conveyor system and the company will hand over the said assets to NTPC at Rs. 1 at the expiry of lease period i.e. Seven years. The company has incurred total amount of Rs. 187.78 Crore to develop the said infrastructure. Hence, the total expenditure incurred on development of said Jetty and Conveyor system shall be recovered in equated monthly instalments over the project period from NTPC.

The future minimum lease payments receivable of the Group as lessor as of March 31, 2018 are as follows:-

(Amount in Rs.)

Particulars	Future minimum lease payment	Interest	Present value
With in one year of the balancesheet date	-	-	-
Later than one year but not later than five years from the balancesheet date	1,897,710,998	531,315,958	1,366,395,040
Later than five years from the balancesheet date	-	-	-
<b>Total</b>	<b>1,897,710,998</b>	<b>531,315,958</b>	<b>1,366,395,040</b>

The future minimum lease payments receivable of the Group as lessor as of March 31, 2017 is as follows:-

(Amount in Rs.)

Particulars	Future minimum lease payment	Interest	Present value
With in one year of the balancesheet date	385,975,128	187,719,653	198,255,475
Later than one year but not later than five years from the balancesheet date	1,543,900,512	407,182,514	1,136,717,998
Later than five years from the balancesheet date	96,493,734	2,028,335	94,465,399
<b>Total</b>	<b>2,026,369,374</b>	<b>596,930,502</b>	<b>1,429,438,872</b>

#### 18. Finance Lease Obligation

##### Company as Lessee:

Jindal ITF Limited has entered into an agreement with Bulk Transloading AS, for hiring M/V Trans Bay for 24 months. The agreement provide for purchase obligation on Jindal ITF Limited to purchase the vessel after the lease term. Agreement also provide for option to purchase the vessel after six months from the date of agreement. Jindal ITF Limited has not opted for early purchase of vessel. The transaction has been considered as finance lease as per IND AS 17 and the vessel has been capitalised at discounted value of lease payments considering discount rate of 7% p.a.



**Jindal ITF Limited**  
**Significant Accounting Policies and Notes of Financial Statement**  
**Note no-30**

Finance lease obligation of the company as lessee as on 31<sup>st</sup> March, 2018:

(Amount in Rs.)

Particulars	Future minimum lease payment	Interest	Present value
With in one year of the balancesheet date	-	-	-
Later than one year but not later than five years from the balance sheet date	-	-	-
Later than five years from the balancesheet date	-	-	-
<b>Total</b>	-	-	-

Finance lease obligation of the company as lessee as on 31<sup>st</sup> March, 2017:

(Amount in Rs.)

Particulars	Future minimum lease payment	Interest	Present value
With in one year of the balancesheet date	389,557,764	19,621,679	369,936,085
Later than one year but not later than five years from the balance sheet date	-	-	-
Later than five years from the balancesheet date	-	-	-
<b>Total</b>	<b>389,557,764</b>	<b>19,621,679</b>	<b>369,936,085</b>

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

20. Notes 1 to 19 are annexed and form integral part of Financial Statements.

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

Chartered Accountants

Firm Registration No. 002368N

**M.P. Jain**

Partner

M.No. 082407



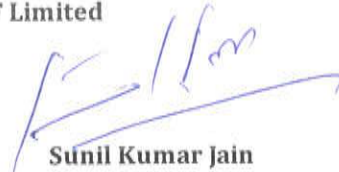
For and on Behalf of the Board of Directors of

**Jindal ITF Limited**

  
**Sunil Kumar Trehan**

Whole Time Director

DIN - 00454475

  
**Sunil Kumar Jain**

Director

DIN - 01308863

  
**Rakesh Kumar Mandora**

Chief Financial Officer

M. No. 502742

  
**Megha Gupta**

Company Secretary

M. No. A25008

Place: New Delhi

Dated: 23rd May, 2018

