

## INDEPENDENT AUDITOR'S REPORT

To The Members of  
Kanak Resources Management Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Kanak Resources Management Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

### 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 and presentation 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in 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, and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in



“Annexure B”; and

- 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 statement- Refer note 28 to financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 26 to the financial statements.

For Luthra & Luthra  
Chartered Accountants  
FRN: 002081N



Naresh Agrawal  
Partner  
M.No: 504922

Place: New Delhi  
Date: May 23, 2017

**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2017

1.
  - a. The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. As per the information and explanations given to us, fixed assets have been physically verified by the Management at reasonable intervals, and no discrepancy was noticed.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not own any immovable properties.
2. As per the information and explanations given to us, inventories have been physically verified at reasonable interval during the year by the Management. The discrepancies noticed on verification between the physical stock and book records are not material and have been properly dealt with in the books of accounts.
3. The Company has granted loans to Companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act')
  - a) In our opinion terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has been complied with provisions of section 185 and 186 of the Act in respect of loans and investments made.
5. According to the information and explanations given to us the company has not accepted deposits.
6. According to the information and explanation given to us, the Company is not required to be maintained cost records u/s 148(1) of the Companies Act, 2013.
7.
  - a. According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities during the year. There were no undisputed amounts payable on account of the above dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable



- b. According to the information and explanation given to us, there is no due on account of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited on account of dispute.
8. As per the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to banks and financial institutions during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Term loan taken during the year have been applied for the purpose for which it was raised.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give 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.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Luthra & Luthra  
Chartered Accountants  
FRN: 002081N



Naresh Agrawal  
Partner  
M.No: 504922

Place: New Delhi  
Date: May 23, 2017

## **Annexure - B to the Auditors' Report**

### **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 Kanak Resources Management Limited ("the Company") as of 31<sup>st</sup> March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential 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 Institute of Chartered Accountants of India. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential 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.

Place: New Delhi  
Date: May 23, 2017

For Luthra & Luthra  
Chartered Accountants  
FRN: 002081N



Naresh Agrawal  
Partner  
M.No: 504922


Kanak Resources Management Limited


Balance Sheet As At 31st March, 2017

Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	128,580,000	128,580,000
Reserves and surplus	3	97,662,249	84,931,532
<b>Non - current liabilities</b>			
Long - term borrowings	4	13,337,696	14,908,620
Long - term provisions	5	1,529,897	537,935
<b>Current liabilities</b>			
Short Term Borrowing	6	509,761,684	1,301,597,508
Trade payables	7	-	-
- Total Outstanding dues of micro enterprises and small enterprises		-	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		98,513,843	77,885,619
Other current liabilities	8	28,084,208	49,819,127
Short Term Provisions	9	47,236	21,406
<b>Total</b>		<b>877,516,813</b>	<b>1,658,281,747</b>
<b>ASSETS</b>			
<b>Non - current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	83,545,239	71,918,172
Intangible assets		91,224	7
Capital Work in Progress		-	174,277
Long - term loans and advances	11	49,788,506	28,067,845
Deferred Tax Assets	12	8,070,318	6,461,311
<b>Current assets</b>			
Inventories	13	541,500	674,336
Trade receivables	14	274,039,879	261,512,244
Cash and cash equivalents	15	24,789,788	38,543,470
Short - term loans and advances	16	428,106,816	1,250,930,085
Other Current Assets	17	8,543,543	-
<b>Total</b>		<b>877,516,813</b>	<b>1,658,281,747</b>
Notes 1 to 30 forms part of the financial statements			

As per our separate report of even date attached.

For Luthra & Luthra  
Chartered Accountants  
Reg. No. 002081N

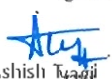
  
Naresh Agrawal  
Partner  
M.No. 504922



Place : New Delhi  
Date : May 23, 2017

For and on behalf of the Board

  
Debashish Tripathy  
Managing Director

  
Ashish Tyagi  
Chief Financial Officer

  
G.K. Chawla  
Director

  
Devesh Singh  
Company Secretary




Kanak Resources Management Limited

Statement of Profit And Loss for the year ended March 31 , 2017

Particulars	Note No.	For The Year Ended March,31, 2017	For The Year Ended March,31, 2016
<b>INCOME</b>			
Revenue from operations	18	580,523,478	527,001,359
Other income	19	136,445,838	68,594,310
<b>Total Revenue</b>		<b>716,969,316</b>	<b>595,595,669</b>
<b>Expenses:</b>			
Employee benefits expenses	20	13,739,336	20,679,023
Finance costs	21	147,128,899	76,708,702
Depreciation and amortization expenses	10	20,896,229	22,306,668
Operating ,administrative and other expenses	22	515,775,462	410,116,331
<b>Total Expenses</b>		<b>697,539,926</b>	<b>529,810,724</b>
Profit /(Loss) before tax		19,429,390	65,784,945
Tax expenses:			
Current Tax		8,157,218	24,030,061
Tax expense of earlier year		150,461	-
Deferred Tax		(1,609,007)	(6,461,311)
Profit / (Loss) for the year after tax		<b>12,730,717</b>	<b>48,216,195</b>
Earnings per equity share: (Nominal Value Rs.10 per share)	23		
Basic		0.99	3.75
Diluted		0.99	3.75
Notes 1 to 30 forms part of the financial statements			

As per our separate report of even date attached.

For Luthra & Luthra  
Chartered Accountants  
Reg. No. 002081N

  
Naresh Agrawal  
Partner  
M.No. 504922



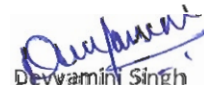
Place : New Delhi  
Date : May 23, 2017

For and on behalf of the Board

  
Debashish Tripathy  
Managing Director

  
Ashish Tyagi  
Chief Financial Officer

  
G.K. Chawla  
Director

  
Devyamin Singh  
Company Secretary

KANAK RESOURCES MANAGEMENT LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	For the Year ended March31, 2017	For the Year ended March31, 2016
	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Tax	19,429,390	65,784,945
<b>Adjustments For :</b>		
Depreciation & Amortization	20,896,229	22,306,668
Employee Benefits Provision	1,017,792	(708,957)
Finance Charges	147,128,899	76,708,702
Interest & Other Income	(135,099,543)	(67,276,741)
<b>Operating Profit before Working Capital Changes</b>	<b>53,372,766</b>	<b>96,814,618</b>
<b>Adjustments for Movement In Working Capital:</b>		
Decrease/(Increase) in Other Current, Other Non-current Assets , Inventories & Trade Receivables	(21,278,818)	(52,794,918)
(Decrease)/Increase in Other Current, Other Non-current Liabilities & Trade Payables	14,210,897	1,610,569
<b>Cash From/ Used In Operating activities</b>	<b>46,304,845</b>	<b>45,630,269</b>
Refund/(Payment) of Advance Tax	(29,402,352)	(21,667,648)
<b>Net Cash From/ (Used) In Operating activities</b>	<b>16,902,493</b>	<b>23,962,621</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed assets	(32,440,234)	(10,477,953)
Decrease/(Increase) in short term loan given	820,000,000	(1,240,000,000)
Interest & Other Income	137,637,297	57,859,535
<b>Cash From/Used In Investing Activities</b>	<b>925,197,063</b>	<b>(1,192,618,418)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Long term borrowing taken/(repaid){ Secured}	(2,278,175)	(41,942,807)
Unsecured Loan taken /repaid(Unsecured)	(791,835,824)	1,301,597,508
Finance Charges	(161,739,240)	(60,123,230)
<b>Cash From/Used In Financing Activities</b>	<b>(955,853,239)</b>	<b>1,199,531,471</b>
<b>Net Increase /Decrease In Cash and Cash Equivalents</b>	<b>(13,753,683)</b>	<b>30,875,674</b>
Cash and Cash Equivalents at beginning of the year	38,543,470	7,667,795
Cash and Cash Equivalents as at 31st March 2017	<b>24,789,788</b>	<b>38,543,469</b>
<b>Components of Cash and Cash Equivalents as at:</b>		
Cash & Cheque in hand	-	-
<b>Balances with the scheduled banks:</b>		
in Current accounts	18,436,463	38,543,470
<b>Demand Drafts\Chq. in Hand</b>	<b>6,353,325</b>	<b>-</b>
	<b>24,789,788</b>	<b>38,543,470</b>

As per our separate report of even date attached.

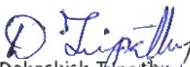
For Luthra & Luthra  
Chartered Accountants  
Reg. No. 002081N


  
Naresh Agrawal  
Partner  
M.No. 504922


Place : New Delhi  
Date : May 23, 2017

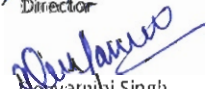


For and on behalf of the Board

  
Debashish Tiwari  
Managing Director

  
Ashish Tyagi  
Chief Financial Officer

  
G.K. Chawla  
Director

  
Devyarni Singh  
Company Secretary

**Note No. 1 - Background and Significant Accounting Policies**

**A) Background :**

KANAK RESOURCES MANAGEMENT LIMITED (KRML) was incorporated on November 26, 2007. It is a subsidiary of IL& FS Environmental Infrastructure & Services Limited (IEISL). The Company is in the business of collection and transportation of Municipal Solid Waste.

Presently the Company is running Bln Free Project at Nagpur, Door to Door / Gate, Municipal Solid Waste collection and transportation at Vadodra .

**B) Significant Accounting Policies:**

**I Basis of preparation of Financial Statements**

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as per section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014 and the provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Management evaluates all recently Issued or revised accounting standards on an on-going basis.

**II Use of estimates**

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the Financial Statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates

**III Fixed Assets**

Fixed assets have been stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met. ☺

The carrying values of the assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year if the asset is derecognized.

The asset's residual value, useful life and method are reviewed, and adjusted if appropriate, at each financial year end.

**IV Capital Work in progress**

All expenditures including advances given and capital inventory are shown as capital work in progress until the assets are ready for commercial use. Capital Work in progress is stated at cost.

**V Depreciation :**

Depreciation is provided based on the useful life of the assets specified under Schedule II of the Companies Act, 2013 on all tangible assets, which is as below:

Asset Type	Useful Life
Computers	3 years
Office Equipment	5 years
Specialised Office Equipment	3 years
Vehicle (other than Cycle Rickshaw)	8 years
Cycle Rickshaw	3 years
Assets Provided to Employees	3 years
Leasehold Improvement	Over the lease period
Licensed Software	Over the licence period

All categories of assets costing less than Rs. 5,000 each, mobile phones and items of soft furnishing are fully depreciated in the year of purchase.



**VI Intangible assets and amortisation**

Intangible assets comprises of software.

Intangible assets are reported at acquisition cost with deductions for accumulated amortisation and impairment losses, if any.

Software are amortised on a "straight line" basis over their estimated useful lives of four years.

**VII Impairment of assets**

Whenever events indicate that assets may be impaired, the assets are subject to a test of recoverability based on estimates of future cash flows arising from continuing use of such assets and from its ultimate disposal. A provision for impairment loss is recognised where it is probable that the carrying value of an asset exceeds the amount to be recovered through use or sale of the asset.

**VIII Inventory**

Closing inventory of Spares as certified by the management has been valued at cost on "First In First out" basis

**IX Cash and Cash Equivalents**

Cash and bank balances, and current investments that have insignificant risk of change in value and original duration of up to three months, are included in the Company's cash and cash equivalents in the Cash Flow Statement.

**X Cash Flow Statement**

The Cash Flow Statement is prepared in accordance with the "Indirect Method" as explained in the Accounting Standard (AS) 3 on "Cash Flow Statement".

**XI Preliminary Expenses**

Preliminary expenses incurred on Incorporation are written off fully in the period of commencement of the business.

**XII Foreign Currency Transactions**

a. Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange difference arising on settlement thereof during the year is recognised as income or expenses in the Profit and Loss Account.

b. Cash and bank balances, receivables and liabilities (monetary items) denominated in foreign currency outstanding as at the year-end are valued at closing date rates, and unrealised translation differences are included in the Profit and Loss Account. ☺

**XIII Revenue recognition and receivables**

Revenue is recognised on an accrual basis to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**Collection, transportation and deposition of municipal solid waste**

Revenue is recognised on the basis of collection, transportation and deposition of waste to the designated site.

**XIV Employee Benefits**

**a Short term**

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Group.

**b Long term**

The Group has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Group and in the case of some defined contribution plans by the Group along with its employees.

**i. Defined-contribution plans**

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Group's payments to the defined contribution plans are reported as expense in the period in which the employees perform the services that the payment covers.



**ii. Defined-benefit plans**

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

**iii. Other Employee Benefits**

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses during the year in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment or encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

**XV Borrowing cost**

Borrowing costs directly attributable to the acquisition, or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use, are added to the costs of those assets, until such time as the assets are substantially ready for their intended use. All other borrowed costs are recognized as expense in the profit and loss account of the year in which they are incurred.

**XVI Taxes on Income**

a. Taxes include taxes on income, adjustment attributable to earlier periods and changes in deferred taxes. Taxes are determined in accordance with enacted tax regulations and tax rates in force and in the case of deferred taxes at rates that have been substantively enacted.

b. Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a period different from when they are recognised in the financial statements.

c. Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Group's entities carry forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

d. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised.

**XVII Provisions, Contingent Liabilities and Contingent Assets**

a). A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

b). Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date.

c). These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

d). Contingent liabilities are not recognised but are disclosed in the notes to the financial statement.

e). A contingent asset is neither recognised nor disclosed.

**XVIII Financial Income and Borrowing Costs**

a). Financial income and borrowing costs includes interest income on bank deposits and interest expenses on loans.

B). Interest income is accrued evenly over the period of the instrument.

**XIX Material Events**

Material events occurring after the Balance Sheet date are taken into cognizance.

**XX Earnings Per Share**

a). Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares in issue during the year.

b). Diluted earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Group by the weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

**XXI Leases**

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated.



Note No. 2 - Share Capital

Particulars	As At March, 31 2017		As At March, 31 2016	
	Number	Rupees	Number	Rupees
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	15,000,000	150,000,000	15,000,000	150,000,000
	<b>15,000,000</b>	<b>150,000,000</b>	<b>15,000,000</b>	<b>150,000,000</b>
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs. 10/- each fully paid up (Refer foot notes (a), (b), (c) & (d) below)	12,858,000	128,580,000	12,858,000	128,580,000
<b>Total</b>	<b>12,858,000</b>	<b>128,580,000</b>	<b>12,858,000</b>	<b>128,580,000</b>

a) Terms/Rights attached to Equity Shares

The company has only one class of ordinary equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Each holder of these ordinary shares are entitled to receive dividends as and when declared by the company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportionate to the number of equity shares held by the shareholders.

b) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	Equity Shares		Equity Shares	
	As At March 31, 2017		As At March 31, 2016	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the period	12,858,000	128,580,000	12,858,000	128,580,000
Shares Issued during the period	-	-	-	-
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the period	12,858,000	128,580,000	12,858,000	128,580,000

c) Shareholder holding more than 5 percent shares:

Particulars	Equity Shares		Equity Shares	
	As At March 31, 2017		As At March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IL& FS Environmental Infrastructure & Services Limited & its Nominees	12,177,999	94.71%	12,177,999	94.71%
Centre for Development Communication	680,000	5.29%	680,000	5.29%
	12,857,999	100.00%	12,857,999	100.00%

d) Of the above 1,21,77,999 (previous year 1,21,77,999) shares held by the holding company and its nominees



**Kanak Resources Management Limited**

Notes forming part of the financial statements for the year ended March 31, 2017

**Note No. 3 - Reserves And Surplus**

Particulars	As At March 31, 2017	As At March 31, 2016
	Rupees	Rupees
<b>Surplus - Profit and Loss Account</b>		
Opening Balance	84,931,532	36,715,336
(+) Net Profit for the current period/ year	12,730,717	48,216,196
Closing Balance	97,662,249	84,931,532
<b>Total</b>	<b>97,662,249</b>	<b>84,931,532</b>



Kanak Resources Management Limited  
Notes forming part of the financial statements for the year ended March 31, 2017

Note No. 4 - Long term borrowings

Particulars	As At March 31, 2017	As At March 31, 2016
	Rupees	Rupees
Secured Loans Vehicle Loans	13,337,696	14,908,620
<b>Total</b>	<b>13,337,696</b>	<b>14,908,620</b>

1. Vehicle Loans are secured by way of right of lien/hypothecation on the respective vehicles.

2. Repayment Schedule: ₹

Financial Year	Amount (Rs.)
2017-18	21,929,556
2018-19	9,310,090
2019-20	4,027,606

Note No. 5- Long Term Provisions

Particulars	As At March 31, 2017	As At March 31, 2016
	Rupees	Rupees
Provision for employee benefits For leave encashment For Gratuity	974,892 555,005	374,200 185,141
<b>Total</b>	<b>1,529,897</b>	<b>559,341</b>

Note No.06- Short Term Borrowing

Particulars	As At March 31, 2017	As At March 31, 2016
	Rupees	Rupees
Secured from related party (refer footnote)	509,761,684	1,301,597,508
<b>Total</b>	<b>509,761,684</b>	<b>1,301,597,508</b>

Short term Borrowing together with all principal, interest, liquidated damages, fee costs, charges, expenses and other monies and all other amounts stipulated and payable to the lenders shall be secured by :

- 1st charge by way of hypothecation on the entire current assets of the company including but not limited to book debts, operating cash flow, receivables, loan & advances, deposit, commissions, revenue of whatsoever nature and wherever arising both present and future.
- Demand Promissory note





Note No. 7- Trade Payables

Particulars	As At March 31, 2017	As At March 31, 2016
	Rupees	Rupees
Trade Payables (Refer footnote (a) below)		
Payable to Micro, Small and Medium Enterprises	-	-
Others	98,513,843	77,885,619
<b>Total</b>	<b>98,513,843</b>	<b>77,885,619</b>

Footnote:

(a) According to the records available with the Company, there were no dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the period. Hence disclosures, if any, relating to amounts unpaid as at the period end together with the interest paid / payable as required under the said Act have not been given.

Note No. 08 - Other Current Liabilities

Particulars	As At March 31, 2017	As At March 31, 2016
	Rupees	Rupees
Current maturities of Long term Vehicle loans	21,929,556	22,636,807
Interest Accrued but not due-Related Party	2,969,952	17,529,418
Interest Accrued but not due on Vehicle Loan	270,608	321,483
<b>Other liabilities</b>		
Non Trade Payables	1,307,434	1,181,110
Statutory Dues	1,606,658	8,150,309
<b>Total</b>	<b>28,084,208</b>	<b>49,819,127</b>

Note No.09- Short Term Provisions

Particulars	As At March 31, 2017	As At March 31, 2016
	Rupees	Rupees
Provision for employee benefits		
For leave encashment	35,430	17,561
For Gratuity	11,806	3,845
<b>Total</b>	<b>47,236</b>	<b>21,406</b>



Kanak Resources Management Limited  
Notes forming part of the financial statements for the year ended March 31, 2017

Fixed Asset

Particulars	Gross Block				Accumulated Depreciation			Net Block	
	As at April 1, 2016	Additions	Deletions	As at March 2017	As at April 1, 2016	Depreciation charge for the year	On Disposals	As at March 31, 2017	As at March 31, 2016
(a) Tangible Assets									
Civil Works	3,356,326	263,884	-	3,622,210	2,227,042	562,575	-	2,789,616	2,129,284
Office Equipment	9,791,724	2,175,183	216,980	11,749,927	5,945,723	3,191,077	215,980	8,923,810	5,842,011
Data Processing Equipment	995,630	272,447	53,565	1,214,471	735,708	171,939	51,206	854,141	350,330
Vehicles (See Foot Note 'a' below)	167,044,849	29,495,164	4,167,621	192,372,392	1,00,520,294	16,915,256	4,167,621	113,267,968	259,832
Furniture and Fixtures	319,789	287,508	-	607,697	157,290	28,632	-	185,922	65,524,555
Total	181,508,218	32,496,586	4,438,107	209,566,697	109,590,047	20,869,518	4,438,107	126,021,458	71,919,172
(b) Intangible Assets									
Software	97,132	117,925	-	215,057	97,135	26,708	-	123,833	7
Total	97,132	117,925	-	215,057	97,125	25,708	-	123,833	7
(c) Capital Work in Progress									
Vehicles (Nagpur)	174,277	-	174,277	-	-	-	-	-	174,277
	174,277	-	174,277	-	-	-	-	-	174,277
Grand Total	181,779,627	32,614,511	4,612,384	209,781,754	109,687,172	20,895,229	4,438,107	126,145,291	72,092,456
Previous year	171,301,674	19,032,343	8,554,392	181,779,627	87,380,503	22,305,668	-	109,687,172	86,921,171

Foot Note:  
Borrowing cost of Rs. NIL (P.Y. 82,950/-) capitalized during the year



Kanak Resources Management Limited  
 Notes forming part of the financial statements for the year ended March 31, 2017

Note No.11 - Long - Term Loans And Advances

Particulars	As At March 31, 2017	As At March 31, 2016
	Rupees	Rupees
<u>Unsecured, considered good</u>		
Security Deposits	13,112,558	13,119,558
<b>Other loans and advances</b>		
Capital Advance	85,000	-
Earnest Money	2,646,990	2,183,000
Other Advances : BG, FDR and Octroi Demand with Corporations	9,507,049	9,507,049
Balance with revenue authorities	3,063,217	2,979,219
Advance Tax (net of tax)	21,373,692	279,019
<b>Total</b>	<b>49,788,506</b>	<b>28,067,845</b>



Kanak Resources Management Limited

Notes forming part of the financial statements for the year ended March 31, 2017

Note No. 12 - Deferred Tax Asset

Particulars	As At March 31, 2017	As At March 31, 2016
Difference of WDV as per books and Income Tax	7,548,870	6,280,085
Provision for employee benefits	521,447	181,226
<b>Total</b>	<b>8,070,318</b>	<b>6,461,311</b>

Note No. 13 - Inventories

Particulars	As At March 31, 2017	As At March 31, 2016
	Rupees	Rupees
(a) inventories		
Stores and Spares	541,500	674,336

Note No. 14 - Trade Receivables

Particulars	As At March 31, 2017	As At March 31, 2016
	Rupees	Rupees
<b>Trade Receivables</b>		
(a) Outstanding for a period exceeding six months from the date they were due for payment (Refer Note 28)		
Considered good	104,876,961	61,305,644
Considered doubtful	1,109,933	1,109,933
(b) Others		
Considered good	169,162,918	200,206,600
	275,149,812	262,622,177
Less : Provision for doubtful debts	1,109,933	1,109,933
<b>Total</b>	<b>274,039,879</b>	<b>261,512,244</b>

Note No. 15- Cash And Cash Equivalents

Particulars	As At March 31, 2017	As At March 31, 2016
	Rupees	Rupees
<b>Cash in Hand</b>		
Imperest Account	-	-
<b>Balances with banks</b>		
Bank balance in current accounts	18,436,463	38,543,470
Demand Drafts\Chq. in Hand	6,353,325	-
<b>Total</b>	<b>24,789,788</b>	<b>38,543,470</b>



Note No. 16- Short - term loans and advances

Particulars	As At March 31, 2017	As At March 31, 2016
	Rupees	Rupees
<b>Unsecured Short term Loans</b>		
Loans to Related Parties	420,000,000	1,240,000,000
<b>Other Loans and Advances</b>		
Interest Accrued but not due	6,879,452	9,417,206
Other advances	440,412	706,602
Prepaid expenses	786,952	806,277
<b>Total</b>	<b>428,106,816</b>	<b>1,250,930,085</b>

Note No. 17- Other Current Assets

Particulars	As At March 31, 2017	As At March 31, 2016
	Rupees	Rupees
Other Current Assets	8,543,543	-
<b>Total</b>	<b>8,543,543</b>	<b>-</b>



Kanak Resources Management Limited  
Notes forming part of the financial statements for the year ended March 31, 2017

Note No. 18 - Revenue From Operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rupees	Rupees
<b>Revenue from operations</b>		
Contract Fees From Municipality	580,523,478	521,962,237
Contract Fees From IEISL	-	5,039,122
<b>Total</b>	<b>580,523,478</b>	<b>527,001,359</b>

Note No. 19 - Other Income

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rupees	Rupees
<b>Other non-operating income</b>		
Interest Income	135,099,543	67,276,741
Other Income	1,346,295	1,317,569
<b>Total</b>	<b>136,445,838</b>	<b>68,594,310</b>



Note No. 20 - Employee Benefits Expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rupees	Rupees
Employee benefits expenses (Refer footnote (a) below)		
Salaries and wages	6,716,390	5,590,815
Contribution to provident and other funds	205,626	183,217
Staff welfare expenses	2,477,348	1,072,517
Deputation Cost	4,339,972	13,832,474
<b>Total</b>	<b>13,739,336</b>	<b>20,679,023</b>

Footnote:

(a) Managerial Remuneration (Paid to Managing Director):

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rupees	Rupees
Salary, bonus and allowances *	1,015,549	4,835,436
Contribution to Provident and other funds	-	25,200
PRP to MD	700,000	-
<b>Total</b>	<b>1,715,549</b>	<b>4,860,636</b>

\* Include Deputation Cost

(b) Employee Benefit Obligations:

Defined-Contribution Plans

The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund cover all regular employees. Contributions are paid during the year into separate funds under certain statutory arrangements. Both the employees and the Company pay predetermined contributions into the provident fund and pension fund. The contributions are based on a certain proportion of the employee's salary.

Defined-Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service and the employee's compensation (immediately before retirement). Commitments are actuarially determined at year-end. On adoption of the revised Accounting Standard (AS) 15 on "Employee Benefits" notified, actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Profit and Loss account.

i. Change in benefit obligation	As at March 31, 2017	As at March 31, 2016
	Rupees	Rupees
Present value of obligation at the beginning of the year	185,141	350,523
Current Service Cost	78,987	36,618
Interest Expenses	14,811	27,166
Actuarial (Gain) / Loss	287,872	(223,811)
Benefits Paid	-	(5,355)
Present value of obligations at the end of the year	566,811	185,141
ii. Expenses recognised in profit & Loss Account		
	As at March 31, 2017	As at March 31, 2016
	Rupees	Rupees
Current service costs	78,987	36,618
Interest expense	14,811	27,166
Expected return on investment	-	-
Net actuarial gain/(loss) recognized during the year	287,872	(223,811)
Expenditure recognized in the statement of Profit and Loss	381,670	(160,027)
iii. Balance Sheet reconciliation		
	As at March 31, 2017	As at March 31, 2016
	Rupees	Rupees
Net liability/(asset) at the beginning of the year	185,141	350,523
Expenses as above	381,670	(160,027)
Contribution paid	-	(5,355)
(Net liability)/asset at the end of the year	566,811	185,141



The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and expense.

iv. Principal Actuarial assumptions	As at March 31, 2017	As at March 31, 2016
Rate for discounting liabilities	7.50% p.a.	8.00% p.a.
Expected salary increase rate	6.50% p.a.	6.50% p.a.
Rate of return	-	-

The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the current year and previous three annual years is given below:

Gratuity (Funded Plan)	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined benefit commitments	566,811	185,141	350,523	208,276	80,314
Plan assets	-	-	-	-	-
Unfunded liability transferred from group companies	-	-	-	-	-
(Surplus) / Deficit	566,811	185,141	350,523	208,276	80,314

Gratuity (Funded Plan)	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Experience adjustments on plan commitments	-253,457	217,112	-19,342	-67,175	12,587
Experience adjustments on plan assets	-	-	-	-	-

Company contribution for next year is Rs. 1,60,534/- (previous year Rs. 66,605/-)





## Note No. 21 - Finance Cost

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rupees	Rupees
Interest on Vehicle Loan	4,899,278	6,541,831
Interest on Unsecured Loan from related party	2,317,346	2,519,642
Interest on Secured Loan from related party	138,856,686	66,929,004
Other Finance Charges	1,055,589	718,225
<b>Total</b>	<b>147,128,899</b>	<b>76,708,702</b>

## Note No. 22 - Operating ,administrative and other expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
	Rupees	Rupees
Direct Expenses for Collection, Segregation and disposal of waste	333,649,072	279,164,750
Power & Fuel	84,735,727	85,328,409
Stores and spares	11,898,730	13,159,481
Repair & Maintenance - Machinery	12,037,983	7,640,232
Security charges	2,601,275	2,453,152
Outsource labour cost	27,298,978	4,611,094
Repair & Maintenance-Others	66,534	156,139
Rent	794,032	808,145
Vehicle Insurance	1,073,508	697,972
Auditors' remuneration (Refer footnote (a) below)	287,500	285,850
Legal and professional fees	35,239,474	8,916,180
Director Sitting Fee	235,000	310,000
Travelling and conveyance	1,820,913	1,553,683
Office maintenance	1,931,343	3,354,808
Loss on Sale of Asset	-	283,499
Communication expenses	665,477	385,433
Printing and Stationery Expenses	334,789	475,659
Business promotion expenses	17,030	203,328
Advertisement expenses	140,000	123,050
Bank Charges	113,239	33,337
Miscellaneous expenses	834,859	172,131
<b>Total</b>	<b>515,775,463</b>	<b>410,116,332</b>

## Footnote:

## (a) Auditors' remuneration

a. Audit fee	350,000	350,000
b. Other Services	-	200,000
c. Reimbursement of expenses	3,000	-
d. Service tax	52,950	35,850
	<b>405,950</b>	<b>585,850</b>



Note No. 23 - Earnings Per Equity Shares

Particulars	Unit	For the year Ended March, 31,2017	For the year Ended March, 31,2016
<b>Earnings Per Equity Shares:</b>			
Net profit after tax	Rupees	12,730,717	48,216,195
Weighted average number of equity shares outstanding during the year	Numbers	12,858,000	12,858,000
Nominal Value of Equity Shares	Rupees	10.00	10.00
Basic Earnings per Share	Rupees	0.99	3.75
Equity shares used to compute diluted earnings per share	Numbers	12,858,000	12,858,000
Diluted Earnings per Share	Rupees	0.99	3.75



**Kanak Resources Management Limited**

Notes forming part of the financial statements for the year ended March 31, 2017

**Note No. 24 - Related Party Disclosures**

Disclosures as required by the Accounting Standard (AS) 18 – “Related Party Disclosures” are as below:

**A. Name of the related parties and nature of relationship (With whom the Company has transactions during the period):**

Nature of Relationship	Name of Entity	Acronym used
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Holding Company :	IL & FS Environmental Infrastructure & Services Limited	IEISL
Fellow Subsidiaries	IL&FS Financial Services Ltd	IFIN
	IL&FS Maritime Infra Comp Ltd	IL&FS Maritime
	IL&FS Renewable Energy Ltd	IREI
	Hill County Properties Ltd	Hill County Properties Ltd
	Sabarmati Capital One Limited	SCOL
	IL&FS Transportation Networks Ltd	ITNL
	East Delhi Waste Processing Company Limited	EDWPCL
	Tierra Enviro	Tierra
	Dakshin Dilli Swachh Initiatives Ltd	DDSIL
Key Management Person & Directors :	IL & FS Securities Services Limited	ISSL
	Sanditta Mal Nagpal	Sanditta Mal Nagpal
	Sant Sujat Soni	Sant Sujat Soni
	Mr. Debashish Tripathy (from 10 September 2015)	Mr. Debashish Tripathy

**B. Details of balances and transactions during the period with related parties**

Balances	Name of Entity	As At March 31, 2017	As At March 31, 2016
<b>Payables</b>			
Equity Share Capital	IEISL	121,779,990	121,779,990
Secured Loan Taken	IFIN	459,761,684	1,301,597,508
Unsecured Loan Taken	Tierra	50,000,000	-
Trade Payable	IEISL	35,864,107	11,861,016
<b>Receivables</b>			
Trade Receivable	IEISL	-	2,441,899
Unsecured Loan Given	IL&FS Maritime	200,000,000	270,000,000
	Hill County Properties Ltd	200,000,000	200,000,000
	ITNL	20,000,000	770,000,000
Interest Receivable	ITNL	-	9,417,206
	IL&FS Maritime	6,879,453	-
Interest accrued but not due	IFIN	2,969,952	17,529,418

Transactions*	Name of Entity	As At March 31, 2017	As At March 31, 2016
Interest Expense	IEISL	-	2,519,642
	EDWPCL	184,716	-
	Tierra	2,132,630	-
	IFIN	138,856,686	66,929,004
Interest Income	IRFI	-	29,751,507
	IL&FS Maritime	41,820,274	10,777,809
	SCOL	-	3,223,151
	EDWPCL	536,888	-
	ITNL	61,065,753	15,202,740
Professional fees	Hill County Properties Ltd	31,000,000	7,983,562
	ISSL	-	18,920
Deputation Cost Paid	IEISL	32,775,000	-
	IEISL	4,339,973	14,420,340



Loan Taken	IFIN		1,880,000,000
	Tierra	54,000,000	
	DDSIL	50,000,000	
	EDWPCL	12,740,215	
Loan Repaid	IEISL		22,390,000
	Tierra	4,000,000	
	EDWPCL	12,740,215	
	DDSIL	50,000,000	
Short term loan given	IFIN	841,835,824	578,402,492
	Hill County Properties Ltd	-	200,000,000
	JL&FS Maritime	-	270,000,000
	IREL	-	1,130,000,000
	ITNL	-	1,130,000,000
	EDWPCL	6,300,000	
Short term loan received back	SCOL	-	230,000,000
	IREL	-	1,130,000,000
	ITNL	750,000,000	360,000,000
	JL&FS Maritime	70,000,000	-
	EDWPCL	6,300,000	-
Lease Rent Paid	SCOL	-	230,000,000
Lease Rent Paid	IEISL	22,265,751	22,033,647
Office Rent Paid	IEISL	405,332	859,876
Managerial Remuneration	Mr. Vivek Agrawal	-	1,350,500
Salary & PRP (excluding deputation cost)	Mr. Debashish Tripathy	700,000	-
Director Sitting Fees	Sanditta Mal Nagpal	140,000	155,000
	Sant Sujat Soni	95,000	155,000
Office Expenses (up to 30.06.2015)	CDC	-	109,808
Payment for Vehicles (up to 30.06.2015)	CDC	-	1,559,564
Sub Contract Expense (up to 30.06.2015)	VWMPL	-	3,661,535

\*Reimbursement of expenses/cost is not included in above.



**Note No. 25 - Foreign Currency Transactions**

	Unit	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Travelling Expenses	Rupees	-	10,294

**Note No. 26 - Specified Bank Notes Disclosure (SBN's)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	ODNs	Total
Closing cash on hand as on 08 Nov 2016	16,000	16,006	32,006
(+) Non Permitted receipts -	-	-	-
(+) Permitted receipts -	-	1,00,000	1,00,000
(-) Permitted payments -	-	92,184	92,184
(-) Amounts Deposited in Banks	16,000	-	16,000
<b>Closing cash on hand as on 30 Dec 2016</b>	<b>-</b>	<b>23,822</b>	<b>23,822</b>

**Note No. 27 - Corporate Social Responsibility**

In terms of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company. The Infrastructure Leasing & Financial Services Limited (IL&FS-The Ultimate Holding Company) has established Nalanda Foundation for its group CSR activities. The Nalanda Foundation is a registered Charitable Trust and provides 80G benefits on contributions made. Based on this, the company gets a tax deduction on 50% of the amount contributed. The Company engaged Nalanda Foundation, a Charitable Trust as its CSR implementation partner.

In line with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, issued by the Institute of Chartered Accountants of India, the disclosure of the CSR expenditure during the year, is as under:

- (a) Gross amount required to be spent by the company during the year: Rs. 8.90 Lacs  
(b) Amount spent during the year: Rs. NIL

**Note No. 28 - Litigations and Contingent liabilities**

**a) Litigations**

Rs. 5,19,99,250/- and Rs. 2,13,53,298/- are recoverable from Jodhpur Municipal Corporation (JMC) and Gwalior Municipal Corporation respectively for more than 5 years wherein both Municipalities have terminated contract awarded to the company under false allegation. JMC has filed an objection application with District Court in May 2015, Jodhpur against the award of Rs. 8,45,59,709/- plus interest awarded by Arbitrator in November 2014. In the matter of GMC, the company has filed a claim of Rs. 9,42,05,645/- with Arbitral Tribunal (As directed by Hon'ble Supreme Court of India in May 2014) and Arbitral proceeding are under progress.

In view of the above, the management believes that both matters will get settled in the favour of the Company and recovery will be much higher than debtor's book balance.

**b) Contingent liabilities**

Vendors terminated by the Company in previous years, have raised some demand. In light of the legal opinion, the management is of the view that these demands are unsustainable in law and accordingly cash outflow is not expected out of these demands.

**Note No. 29**

The Company is engaged in collection and transportation of municipal solid waste, hence considered a single business segment. The Company operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Accounting Standard (AS) 17 on "Segments Reporting" have not been made.

**Note No. 30**

Figures for the previous year/period have been regrouped and reclassified wherever considered necessary.

