INDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS OF
KANPUR FERTILIZERS & CEMENT LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of M/s **KANPUR FERTILIZERS & CEMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Cash Flows and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 (Including other comprehensive income) and cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Ind AS 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 Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.

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 purpose 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, Statement of Profit and Loss (Including Other Comprehensive Income), Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Ind As financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rule issued thereunder.
   e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"; and

g) With respect to other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to our 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 Ind AS financial statements – Refer Note 35to the Ind AS financial statements;

(ii) The company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

(iii) There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.

For,

Ravi Rajan & Co.
Chartered Accountants
(Firm's Registration No. 009073N)

Ravi Kumar
(Partner)
Membership No. 508424

Place- New Delhi
Date- 05.05.2018

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kanpur Fertilizers & Cement Limited of even date)

(i) In respect of fixed assets:

(a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a policy to verify its fixed assets once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The physical verification was carried out during last year. According to the information and explanation given to us, no material discrepancies were noticed on such verification

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are deemed to be held in the name of company in terms of Paras 4 and 5, Part II of Annexure A of approved scheme of BIFR.

(ii) In respect of Inventory:

(a) As explained to us the inventory of the company has been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and as per information and explanation provided to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Hence, Clause (a) and (b) of clause (iii) regarding regularity of receipt of the principal amount and interest and recovery of overdue amount is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the company has not made any investment in terms of the provisions of section 185 and 186 of the Act. The company has not granted any loans, or provided any guarantees or securities to the related party.

(v) According to the information and explanations given to us, the company has not accepted any deposits during the year. There are no unclaimed deposits and hence reporting under clause (v) of the CARO 2016 is not applicable to the company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Records and Audit) Rules 2014, as amended prescribed by the Central Government under sub section (1) of section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the same.

(vii) In Respect of Statutory Dues

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us no undisputed amount payable in respect of provident fund, income tax, sales tax, value added tax, GST cess, and other material statutory dues were in arrears as at 31 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 of Wealth tax and Cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income tax, Sales tax, Service tax and Gratuity have not been deposited/ paid by the Company on account of disputes. (For details, refer 35 to the Ind AS Financial Statements).

Name of the Statute	Nature of dues	Amount of Demand (in Lacs)#	Assessment Year	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	17.09	2012-13	Pending before ITAT
Income Tax Act, 1961	Income Tax Penalty	62.86	2012-13	CIT (Appeal)
Income Tax Act, 1961	Income Tax Demand	357.12	2013-14	Pending before ITAT
Income Tax Act, 1961	Income Tax Penalty	380.00	2013-14	Appeal to be filed before CIT(A)

It is net of the amount deposited against respective demands.

(viii) In our opinion, according to information and explanations give to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government . In addition, The Company has not issued any debentures during the year.

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(ix) The Company has not raise moneys by way of initial public offer or further public offer (including debt instruments). Further, term loans were applied for the purpose for which the loans were obtained.

(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the company, noticed or reported during the year, nor have we been informed of such cases by the management

(xi) According to the information and explanations given to us, and based on our examination of the record of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V to the Act.

(xii) The Company is not a nidhi company and hence reporting under clause (xii) of the CARO 2016 is not applicable to the Company.

(xiii) 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 Ind AS financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of share or fully or partly convertible debenture and hence reporting under clause (xiv) of the CARO 2016 is not applicable to the company

(xv) 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 them and hence provision of section 192 of the Companies Act 2013 are not applicable.

(xvi) The Company not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For,

Ravi Rajan & Co.

Chartered Accountants

(Firm's Registration No. 009073N)

Ravi Kumar

(Partner)

Membership No. 508424

Place- New Delhi

Date- 05.05.2018

Annexure - B to The Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kanpur Fertilizers & Cement Limited of even date)

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 **M/s KANPUR FERTILIZERS & CEMENT LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 2018, 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.

For,
Ravi Rajan & Co.
Chartered Accountants
(Firm's Registration No. 009073N)

Ravi Kumar
(Partner)
Membership No. 508424

Place- New Delhi
Date- 05.05.18

Kanpur Fertilizers & Cement Limited
Balance Sheet as at 31st March 2018

(Amount in ₹)

Particulars	Note No	As on 31st March 2018	As on 31st March 2017
Assets			
Non Current Assets			
Property, Plant and Equipment	3	9,712,329,462	10,361,803,536
Capital Work in Progress	4	7,056,997	8,951,176
Goodwill		393,701	1,458,151
Financial Assets			
Other Financial Assets	5	2,377,643	66,723,188
Other Non Current Assets	6	83,767	93,064
		9,722,241,570	**10,439,029,115**
Current Assets			
Inventories	7	1,614,287,565	1,121,358,069
Financial Assets			
Trade Receivable	8	7,838,514,707	8,580,364,845
Cash and Cash Equivalents	9	219,227,410	174,787,672
Bank Balance other than above	10	228,168,383	149,060,530
Loans	11	123,074,339	98,731,767
Other Financial Assets	12	1,081,424,155	34,655,565
Other Current Assets	13	681,890,654	578,854,441
		11,786,587,213	**10,737,812,889**
		21,508,828,783	**21,176,842,004**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	2,310,822,250	2,005,822,250
Other Equity	15	5,916,681,632	5,921,548,920
		8,227,503,882	**7,927,371,170**
Non Current Liabilities			
Financial Liabilities			
Borrowing	16	3,314,520,663	2,143,505,614
Other Financial Liabilities	17	118,039,161	124,507,604
Provisions	18	36,824,283	34,585,781
Deferred Tax Liabilities (Net)	19	381,637,844	251,622,549
		3,851,021,951	**2,554,221,548**
Current Liabilities			
Financial Liabilities			
Borrowings	20	4,588,738,227	4,444,747,421
Trade payables	21	3,857,590,699	3,125,090,340
Other Financial Liabilities	22	756,269,917	2,964,798,310
Other Current Liabilities	23	122,822,886	72,593,428
Provisions	24	11,142,651	11,150,927
Current Tax Liabilities(Net)	25	93,738,570	76,868,860
		9,430,302,950	**10,695,249,286**
Total		**21,508,828,783**	**21,176,842,004**

Summary of Significant Accounting Policies & Notes to the Financial Statements "1" to "35"

For Ravi Rajan & Co.
Chartered Accountants
Registration No. 009073N

(Ravi Kumar)
Partner
M. No. 508424

Place: New Delhi
Dated : 05.05.2018

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

(Suman Lata)
Company Secretary
FCS-4394

(Sudhir Rana)
Chief Financial Officer

(A.K. JAIN)
Vice Chairman & CEO
DIN: 01731920

Kanpur Fertilizers & Cement Limited

Profit and Loss for the Period Ended 31st March 2018

(Amount in ₹)

Particulars	Note No	2017-18	2016-17
Revenue From Operations	26	22,002,704,522	21,851,744,108
Other Income	27	104,228,842	31,327,832
Total Income		**22,106,933,364**	**21,883,071,940**
Expenses			
Cost of Materials Consumed	28	17,663,465,669	16,541,746,896
Purchases of Stock-in-Trade	29	1,026,729,558	1,066,703,748
Excise Duty		8,717,851	41,625,586
Changes in Inventories of Finished Goods & Work-in-Progress	30	-506,498,071	330,076,181
Employee Benefits Expense	31	484,370,969	424,177,998
Finance costs	32	1,074,434,081	1,275,774,379
Depreciation and amortization Expense	33	739,418,478	731,998,349
Other expenses	34	1,182,329,833	1,114,911,874
Total Expenses		**21,672,968,368**	**21,527,015,011**
Profit Before Exceptional Items and Tax		433,964,996	356,056,929
Exceptional Items		-	-
Profit Before Tax		**433,964,996**	**356,056,929**
Tax Expense:			
(1) Current Tax		93,738,570	76,868,860
(2) Mat Credit Entitlement		-93,738,570	-76,868,860
(2) Deferred Tax		131,277,193	111,257,122
Total Tax Expenses		**131,277,193**	**111,257,122**
Profit/(Loss) for the Period		**302,687,803**	**244,799,807**
Other Comprehensive Income			
Items that Will Not be Reclassified to Profit or Loss			
Remeasurements of the Defined Benefit Plans		-3,816,989	4,961,785
Less: Income Tax		-1,261,898	1,640,365
Total Other Comprehensive Income		**-2,555,091**	**3,321,420**
Total Comprehensive Income for the Period		**300,132,712**	**248,121,227**
Earnings per Equity Share			
(1) Basic		1.34	1.22
(2) Diluted		0.86	0.71
Summary of Significant Accounting Policies & Notes to the Financial Statements	"1" to "35"		

For Ravi Rajan & Co.
Chartered Accountants
Registration No. 009073N

(Ravi Kumar)
Partner
M. No. 508424

Place: New Delhi
Dated : 05.05.2018

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

(Suman Lata)
Company Secretary
FCS-4394

(Sudhir Rana)
Chief Financial Officer

(A.K. JAIN)
Vice Chairman & CEO
DIN: 01731920

Kanpur Fertilizers & Cement Limited
Statement of Changes in Equity For The Period Ended 31st March, 2018

Equity

Particulars	
a. Equity share capital	(Amount in ₹)
Balance as at 31st March 2017	2,005,822,250
Equity Share Issued During the Year	305,000,000
Balance as at 31st March 2018	2,310,822,250

Other Equity (Amount in ₹)

Particular	**Equity Component of Compulsory Convertible Preference Share Including Security Premium**	**Security Premium**	**Retained Earnings**	**Remeasurements of the Defined Benefit Plans**	**Total**
Balance as at 31st March 2017	3,757,500,000	1,999,500,000	144,237,767	20,311,153	5,921,548,920
Profit For the Year			302,687,803		302,687,803
Remeasurement of Defined Benefit Liability(Net of Tax)				(2,555,091)	(2,555,091)
Changes During The Year	(610,000,000)	305,000,000			(305,000,000)
Balance as at 31st March 2018	3,147,500,000	2,304,500,000	446,925,570	17,756,062	5,916,681,632

For Ravi Rajan & Co.
Chartered Accountants
Registration No. 009073N

(Ravi Kumar)
Partner
M. No. 508424

Place: New Delhi
Dated : 05.05.2018

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

(Suman Lata)
Company Secretary
FCS-4394

(Sudhir Rana)
Chief Financial Officer

(A.K. JAIN)
Vice Chairman & CEO
DIN: 01731920

Kanpur Fertilizers & Cement Limited

Cash Flow Statement For The Year Ended 31st March 2018

(Amount in ₹)

	Cash Flow Statement	2017-18	2016-17
A	**Cash Flows From Operating Activities**		
	Profit For the Year	433,964,996	356,056,929
	Adjustments For:		
	- Depreciation	739,418,478	731,998,349
	- Interest and Finance Charges	1,074,434,081	1,275,774,379
	- Loss on Fixed Assets Sold / Discarded	-	1,371,719
	- Interest Income on Fixed Deposits	(81,690,581)	(24,485,037)
	- Fair Value of Financial Liability at Amortised Cost	-	(5,087,143)
	- Remeasurement of Acturial Gain/Loss	(2,555,091)	3,321,420
	Operating Profit Before Working Capital Changes	2,163,571,883	2,338,950,616
	Adjustments for :		
	- (Increase) / Decrease in Inventories	(492,929,496)	567,695,955
	- (Increase) / Decrease in Trade Receivables	741,850,138	3,155,521,720
	- (Increase) / Decrease in Other Financial Assets	(982,423,045)	(14,864,479)
	- (Increase) / Decrease in Other Current Assets	(103,036,213)	(104,027,074)
	- Increase / (Decrease) in Trade Payables	732,500,359	(2,419,106,386)
	- Increase / (Decrease) in Other Current Liabilities	50,229,458	(50,773,744)
	- Increase / (Decrease) in Other Financial Liabilities and Provision	(2,212,766,610)	59,569,893
	- Change in Other Non Current Assets	9,297	(38,019)
	Cash Generated From Operations	(102,994,229)	3,532,928,482
	- Income Tax Refund/ (Paid)	15,607,812	(39,617,296)
	Net Cash Flow Generated From Operating Activities	**(87,386,417)**	**3,493,311,186**
B	**Cash Flow From Investing Activities**		
	- Additions To PPE And Intangible Assets (Including Net Movement In CWIP)	(86,985,775)	(120,435,321)
	- Interest Received	81,690,581	24,485,037
	- Investment In Fixed Deposit	(79,107,853)	(60,727,285)
	Net Cash Flows (Used In) Investing Activities	**(84,403,047)**	**(156,677,569)**
C	**Cash Flow From Financing Activities**		
	- Proceeds/(Repayments) of Long Term Borrowings	1,171,015,049	(1,105,400,000)
	- (Repayments Of) / Proceeds From Short Term Borrowings (Net)	143,990,806	(997,919,123)
	- Loan to/from Related Party	(24,342,572)	21,510,073
	- Interest And Finance Charges Paid	(1,074,434,081)	(1,250,073,095)
	Net Cash Flows (Used In)/ Generated From Financing Activities	**216,229,202**	**(3,331,882,145)**
	Net Change In Cash And Cash Equivalents (A+B+C)	44,439,738	4,751,472
	Cash And Cash Equivalents- Opening Balance	174,787,672	170,036,200
	Cash And Cash Equivalents- Closing Balance	**219,227,410**	**174,787,672**
	Notes To Cash Flow Statement:		
	Cash And Cash Equivalents Include :		
	Cash on Hand	902,818	817,890
	Balances with Banks:	218,324,592	173,969,782
	Cash And Cash Equivalents At The End Of The Year [Refer Note No 9]	**219,227,410**	**174,787,672**

Summary of Significant Accounting Policies &
Notes to the Financial Statements "1" to "35"

For Ravi Rajan & Co.
Chartered Accountants
Registration No. 009073N

(Ravi Kumar)
Partner
M. No. 508424

Place: New Delhi
Dated : 05.05.2018

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

(Suman Lata)
Company Secretary
FCS-4394

(Sudhir Rana)
Chief Financial Officer

(A.K. JAIN)
Vice Chairman & CEO
DIN: 01731920

Note No."1" Nature of Operations

Kanpur Fertilizers & Cement Limited (KFCL) was incorporated on 31st May 2010. The Company was formed with one of its objectives to undertake the business in manufacturing, selling and trading of fertilizers and related activities. The Company is subsidiary of Jaypee Uttar Bharat Vikas Private Limited (JUBVPL).

The Company has 7,22,700 MT / Per Annum Urea manufacturing plant on approximately 243 Acres of land at Panki Industrial Area, Kanpur, U.P. The plant restarted commercial operations after revamp, changeover from Naphtha to Natural Gas (NG) as feed stock and certain Energy Savings Measures with effect from June 1, 2014.

Note No."2" Significant Accounting Policies

a. Basis of preparation

The Company has adopted accounting policies that comply with Indian Accounting standards (IND AS or Ind AS) notified by Ministry of Corporate Affairs vide notification dated 16 February 2015 under section 133 of the Companies Act 2013. Accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements referred hereinafter have been prepared in accordance with the requirements and instructions of Schedule III of the Companies Act 2013, amended from time to time applicable to companies to whom IND AS applies read with the IND AS's.

b. Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) up to the date of acquisition/ installation], net of accumulated depreciation and accumulated impairment losses, if any.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset when the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 as under:

Assets	Useful Lives
Building	30 Years
Plant and Machinery	15 years
Vehicle	4 - 8 years
Office equipment	5 years
Furniture and fittings	10 years

Individual assets acquired for Rs. 5000/- or less are depreciated fully in the year of acquisition.

Freehold land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss when the asset is derecognized.

c. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost which comprise purchase price (including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates) and any directly attributable cost of preparing the asset for its intended use. An intangible assets acquired in a business combination is recognized at fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is recognized on a straight line basis over their estimated useful life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Computer Software is amortized over a period of 5 years.

The Goodwill arising on Shares issued to DIL shareholders in pursuant to Demerger Scheme dated 16.01.2012 of Hon'ble BIFR is being amortized equally over the period of five years.

d. Inventories

Inventories of raw material, finished goods, work in progress / stock in process, traded goods and stores & spares are valued at lower of cost or net releasable value. Cost is determined on weighted average basis. Cost comprises of purchase & other costs incurred in bringing then to their present location & condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

e. Revenue Recognition

Sales

Sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyers, the Company retains neither continuing managerial involvement nor effective control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably & no significant uncertainty exists regarding amount of consideration.

The risks and rewards of ownership of the goods are usually transferred at the time of delivery of the goods to customers.

The amount of sale is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates; value added taxes and amounts collected on behalf of third parties.

The Company manufactures Urea, which is rate regulated by Government of India (GoI). Subsidy from Urea is recognized in sales / income on the bills generated through Integrated Fertilizers Monitoring System (IFMS) of GoI on accrual basis in profit & loss accounts in accordance with Ind AS 20. Subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

Subsidy on Urea including freight has been accounted as Revenue at the rate estimated by the Management on the basis of following parameters:

1) the notified concession prices as per
   (i) the New Pricing Scheme - Stage III and New Investment Policy 2012;
   (ii) New Urea Policy 2015;
   (iii) Uniform Freight Policy; and
2) Submission of inputs on regular basis to FICC for revision of prices of urea subsidy relating to the basic cost of production and fixed cost on account of escalation/de-escalation claim.
3) Escalation/De-escalation in notified rates is estimated taking into account the effect of guidelines, policies, instructions and clarifications given by the Government.

The difference arising on final notification received for escalation/de-escalation claim is treated as current year income or expenditure and the effect of change in estimate, if material, is disclosed separately.

Subsidy on Phosphatic and Potassic (P&K) fertilizers is recognized in accordance with Nutrient Based Subsidy (NBS) Policy from time to time and Freight subsidy has been accounted for in line with the policy.

Subsidy on City Compost is recognized as per the Market Development Assistance (MDA), as notified by the Government of India.

Interest

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

f. Foreign Currency Transaction

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period-

i. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

ii. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

iii. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise.

g. Retirement and other employee benefits

i) Retirement benefit costs

Payments to retirement benefit plans such as provident fund are recognized as an expense.

For retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee Benefits Expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

ii) *Short-term and other long-term employee benefits*

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. These benefits include bonus/incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

h. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

i. Leases

Finance lease
Leases of property, plant and equipment are classified as finance leases where the lessor has substantially transferred all the risks and rewards of ownership to the Company.

Operating lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or 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 lessor's expected inflationary cost increases.

The Company has land on lease for the period of 999 years, and hence, is treated as finance lease.

j. Earnings per share

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

k. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

i) <u>Current tax</u>

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted upto the end of the reporting period.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.

ii) <u>Deferred tax</u>

Deferred income tax is recognized using the balance sheet approach. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there be sufficient taxable profits against which to utilize the benefits of the temporary differences and are expected to reverse in the foreseeable future.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

In the case of unused tax losses probability is evaluated considering factors like existence of sufficient taxable temporary differences, convincing other evidence that sufficient taxable profit will be available. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets and, the Company recognizes a previously unrecognized Deferred Tax Asset to the extent that it has become probable that future taxable profit will allow the Deferred Tax Asset to be recovered.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in the said asset is created by way of credit to the statement of profit and loss as disclosed as 'MAT Credit Entitlement'. The Company reviews the 'MAT Credit Entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable Company and the same taxation authority.

iii) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

l. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

m. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

n. Contingent liabilities

A contingent liability is a possible obligation that arises from past events existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

o. Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

p. Use of estimates

The preparation of financial statements in conformity with Ind ASs requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

q. Cash and cash equivalents (for the purpose of Cash Flow Statement)

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

r. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an agreed transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1— Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2— Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
Level 3— Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

s. Financial Instrument

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.

Financial asset is any assets that is

- Cash;
- An equity instrument of another entity;
- A contractual right:
  - (i) To receive cash or another financial asset from another entity; or
  - (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or
- A contract that will or may be settled in the entity's own equity instruments and is:
  - (i) A non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - (ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets include current and non-current investments, loan to employees and body corporate, security deposits, trade receivables and other eligible current and non-current assets

Financial Liability is any liabilities that is

- A contractual obligation :
  - (i) To deliver cash or another financial asset to another entity; or
  - (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or

- A contract that will or may be settled in the entity's own equity instruments and is:

  - (i) A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - (ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Financial liabilities include Loans, trade payable and eligible current and non-current liabilities.

Transitional provisions in opening balance sheet as per Ind AS 101

The Company designates a previously recognized financial asset/financial liability as a financial asset/ financial liability measured at fair value through profit or loss on the basis of the facts and circumstances that exist at the date of transition to Ind ASs.

The Company has assessed whether a financial asset meets the conditions w.r.t. classification criteria on the basis of the facts and circumstances that exist at the date of transition to Ind ASs, practically feasible.

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

(i) The entity's business model for managing the financial assets and
(ii) The contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost if both of the following conditions are met:

(i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or fair value through profit or loss.

Recognition

Financial assets and financial liabilities are recognized when and only when the Company becomes party to the contractual provisions of the instrument.

Initial Measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Subsequent measurement of financial assets

Financial assets are subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities are subsequently measured at amortized cost or fair value through profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets which are classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

Trade receivables

Trade receivables are recognized initially at fair value and all are considered as current subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortized cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset and that transactions are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected allowance is computed based on a provision matrix which takes into account historical experience and adjusted for forward-looking information.

De-recognition of financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks rewards of ownership and continues to control the transferred asset, the Company recognizes its interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying and the sum of the consideration received and receivable and the cumulative gain or loss that had recognized in other comprehensive income and accumulated in equity is recognized in profit or loss, such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset, other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of financial asset between the part it continues to recognize under continuing involvement, and the part that is no longer recognized on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and sum of the consideration received for the part no longer recognized and any cumulative gain or allocated to it that had been recognized in other comprehensive income is recognized in the statement of profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Financial Liabilities

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement being recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade payables

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period or not paid/payable within operating cycle. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of Company after deducting all of its liabilities. Equity instruments are recognized at the proceeds received, net of direct issue costs.

Preference share capital

At initial recognition, Preference share capital is classified as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Preference share capital is classified as a financial liability or an equity instrument based on the substance of a financial instrument, rather than its legal form.

Preference share is classified as an equity instrument if, and only if, both conditions a) and b) below are met

a) The instrument includes no contractual obligation:
   - To deliver cash or another financial asset to another entity; or
   - To exchange financial assets or financial liabilities with another entity under conditions that is potentially unfavorable to the issuer.

b) If the instrument will or may be settled in the issuer's own equity instruments, it is:
   - A non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or
   - A derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Preference share capital is classified as a financial liability if it provides for mandatory redemption for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount.

Compound financial instruments

The component parts of compound financial instruments (convertible instrument) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible instrument using the effective interest method.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments substantially different terms is accounted for as an extinguishment of the original financial liability the recognition of a new financial liability. Similarly, a substantial modification of the terms of existing financial liability (whether or not attributable to the financial difficulty of the debtor)is accounted for as an extinguishment of the original financial liability and the recognition of a financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Kanpur Fertilizers & Cement Limited

Notes to the Financial Statements for the Year Ended 31st March, 2018

NOTE No. "3"

Property Plant & Equipment

(Amount in ₹)

Particulars	Lease Hold Land	Building	Plant & Machinery	EDP Machine	Furniture & Fittings	Office Equipments	AC & Coolers	Refrig.& Water Cooler	Television/Cinematography	Stores & Spares	Vehicles	Total
As at 31 March 2017	**2,434,387,000**	**833,616,341**	**8,891,013,822**	**67,446,125**	**34,102,559**	**1,616,733**	**11,854,453**	**1,968,797**	**8,800,101**	**42,341,229**	**21,168,431**	**12,348,315,591**
Additions		858,345	72,288,105	4,381,915	1,644,795	48,050	1,799,408	30,594	4,232,340	-	3,596,402	88,879,954
As at 31st March 2018	**2,434,387,000**	**834,474,686**	**8,963,301,927**	**71,828,040**	**35,747,354**	**1,664,783**	**13,653,861**	**1,999,391**	**13,032,441**	**42,341,229**	**24,764,833**	**12,437,195,545**
Accumulated Depreciation												
As at 31 March 2017	-	**85,542,966**	**1,814,041,655**	**49,025,375**	**12,267,074**	**1,054,455**	**4,455,615**	**795,442**	**2,830,810**	**7,997,788**	**8,500,875**	**1,986,512,055**
Charge for the year		30,362,529	692,279,284	4,207,804	3,180,954	203,224	1,214,961	176,886	1,237,601	2,822,749	2,668,036	738,354,028
As at 31st March, 2018	-	**115,905,495**	**2,506,320,939**	**53,233,179**	**15,448,028**	**1,257,679**	**5,670,576**	**972,328**	**4,068,411**	**10,820,537**	**11,168,911**	**2,724,866,083**
Net Block (As at 31 March 2017)	2,434,387,000	748,073,375	7,076,972,167	18,420,750	21,835,485	562,278	7,398,838	1,173,355	5,969,291	34,343,441	12,667,556	**10,361,803,536**
Net Block (As at 31st March, 2018)	**2,434,387,000**	**718,569,191**	**6,456,980,988**	**18,594,861**	**20,299,326**	**407,104**	**7,983,285**	**1,027,063**	**8,964,030**	**31,520,692**	**13,595,922**	**9,712,329,462**

Kanpur Fertilizers & Cement Limited

Notes to the Financial Statements for the Period Ended 31st March, 2018

NOTE No. "4"

Goodwill

Cost or Deemed Cost	(Amount in ₹)
Gross Block	
As at 31 March 2017	5,322,250
Addition during the period	-
As at 31st March 2018	**5,322,250**
Accumulated Amortisation	
As at 31 March 2017	**3,864,099**
Amortisation during the period	1,064,450
As at 31st March 2018	**4,928,549**
Net Block(As at 31 March 2017)	1,458,151
Net Block(As at 31 March 2018)	**393,701**
Capital Work in Progress(As at 31 March 2017)	8,951,176
Capital Work in Progress(As at 31 March 2018)	**7,056,997**

Kanpur Fertilizers & Cement Limited

Notes to the Financial Statements for the Period Ended 31st March, 2018

(Amount in ₹)

Particulars	As on 31st March 2018	As on 31st March 2017
NOTE No. "5"		
Other Financial Assets		
Bank Deposits With More Than 12 Months Maturity *	923,405	66,142,863
Security Deposit	595,330	580,325
Other Receivables	858,908	-
	2,377,643	66,723,188
NOTE No. "6"		
Other Non-Current Assets		
Prepaid Expenses	83,767	93,064
	83,767	93,064
NOTE No. "7"		
Inventories		
Raw Materials	38,085,285	66,365,669
Work in Progress	260,813,710	252,564,476
Finished Goods	993,067,856	494,819,019
Stock in Trade(Traded Products)	-	253,465
Stores & Spares	322,320,714	307,355,440
	1,614,287,565	1,121,358,069
NOTE No. "8"		
Trade Receivables		
Others (Unsecured, Considered Good)	7,838,514,707	8,580,364,845
	7,838,514,707	8,580,364,845
NOTE No. "9"		
Cash and Cash Equivalents		
Balance with Banks	39,848,247	36,063,334
Term Deposit Account with Maturity of Less Than Three Months *	178,476,345	137,906,448
Cash in Hand	902,818	817,890
	219,227,410	174,787,672
NOTE No. "10"		
Other Bank Balances		
Deposits with Maturity for Less Than 12 Months *	226,933,618	149,060,530
Security Deposit (withheld amount with bank)	1,234,765	-
	228,168,383	149,060,530
NOTE No. "11"		
Loans		
Unsecured, Considered Good		
Related Party	123,074,339	98,731,767
	123,074,339	98,731,767
NOTE No. "12"		
Other Financial Assets		
Accrued Interest Receivable	17,130,878	15,614,941
Other Receivables	3,146,835	19,040,624
Advance To Related Party	1,061,146,442	-
	1,081,424,155	34,655,565
NOTE No. "13"		
Other Current Assets		
Prepaid Expenses	62,842,231	68,877,560
Advances to Vendors	204,824,114	319,008,397
GST/VAT Receivable	137,094,681	9,078,013
Tax Deducted at Source	20,636,945	20,789,503
MAT Credit Entitlement	256,492,683	161,100,968
	681,890,654	578,854,441

*- Pledged as margin with banks against LC/BGs & DSRA

(Amount in ₹)

NOTE No. "14" Equity Share capital	As on 31st March 2018	As on 31st March 2017
Authorised Share Capital		
Equity Share Capital		
82,50,00,000 (Previous period 82,50,00,000) Shares of Rs. 10/- each	8,250,000,000	8,250,000,000
	8,250,000,000	8,250,000,000
Issued, subscribed and paid up capital		
Equity Share Capital		
2,310,82,225 (Previous period 2,005,82,225) Shares of Rs. 10/- each fully paid up	2,310,822,250	2,005,822,250
	2,310,822,250	2,005,822,250

Details of Shareholders Having More than 5% Shares	% of Shares	As on 31st March, 2018	As on 31st March 2017
Equity Shares			
Jaypee Uttar Bharat Vikas Private Limited	87.00%	200,050,000	200,050,000
Jaypee Development Corporation Limited	11.00%	25,000,000	-

Reconciliation of No. of Shares Outstanding	As on 31st March, 2018	As on 31st March 2017
Equity Share Capital		
Equity Shares Outstanding at the Beginning of the Year	200,582,225	200,582,225
Equity Shares Issued During the Year	30,500,000	-
Outstanding at the End of the Year	231,082,225	200,582,225

i) Equity Shares

During the year the company has issued 2,50,00,000 shares to Jaypee Development Corporation Limited and 55,00,000 shares to Jaypee Fertilizers & Industries Limited by conversion of Compulsarily Convertible Preference Shares (CCPS) as per terms of allotment of these CCPS. Each holder of Equity Share is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. The Board of Directors has not proposed dividend for the current/previous years.

In the event of liquidation, each share carries equal rights and will be entitled to receive equal amount per share out of the remaining amount available with the company after making preferencial payments.

NOTE No. "15" Other Equity	As on 31st March 2018	As on 31st March 2017
(i)Equity Component of Financial Instrument		
Opening Balance	3,757,500,000	3,757,500,000
Addition during the Year	-	-
Less Conversion During the Year	610,000,000	-
Closing Balance	3,147,500,000	3,757,500,000
(ii)Reserves and Surplus		
(a) Surplus (Profit and Loss Balance)		
Opening Balance	144,237,767	(100,562,040)
Profit / (Loss) for the year	302,687,803	244,799,807
Closing Balance	446,925,570	144,237,767
(b) Security Premium Reserve		
Opening Balance	1,999,500,000	1,999,500,000
Addition during the Year	305,000,000	-
Closing Balance	2,304,500,000	1,999,500,000
Total Reserve & Surplus	2,751,425,570	2,143,737,767
iii) Other Comprehensive Income		
(a) Remeasurement of Defined benefit plan (Net of Tax)		
Opening Balance	20,311,153	16,989,733
Addition/Deduction during the Year	(2,555,091)	3,321,420
Closing Balance	17,756,062	20,311,153
Total Other Equity	5,916,681,632	5,921,548,920

On conversion of compulsorily convertible preference shares (CCPS) of Rs. 30,50,00,000/- held by Jaypee Development Corporation Limited and Jaypee Fertilizers & Industries Limited into Equity Share Capital of same value, the equivalent amount has been transferred to Security Premium Reserve Account, thus transferring Rs. 61,00,00,000/- from Equity Component of Financial Instrument.

Kanpur Fertilizers & Cement Limited

Notes to the Financial Statements for the Period Ended 31st March, 2018

(Amount in ₹)

Particulars	As on 31st March 2018	As on 31st March 2017
NOTE No. "16"		
Borrowings		
Secured		
Term Loans		
From Banks - ICICI Bank Limited (ERR - 14.34%), State Bank of India (ERR - 13.22%) & Yes Bank Ltd.	1,917,372,256	950,500,202
From Financial Institutions - India Infrastrucrure Finance Company Limited (ERR - 13.18%)	1,168,349,223	1,193,005,412
From NBFC - SREI Equipment Finance Limited	228,799,184	-
	3,314,520,663	2,143,505,614

The loan has been reinstated at fair value as per IND AS 32.

Security and Terms of repayment of secured loan from banks& financial instituions

i) SBI - The repayment has started in 40 structured quarterly installment from June 30, 2015. The rate of interest is SBI MCLR + 3 % . The amount outstanding as at 31.03.2018 is Rs.95,17,72,256/-(Previous Year-Rs.119,27,76,850/-).

ii) IIFCL - The repayment has started in 48 structured quarterly installment from June 30, 2015. The rate of interest is SBI MCLR rate + 3 % . The amount outstanding as at 31.03.2018 is Rs 119,39,49,223/- (Previous Year - 122,88,00,000/-).

The loans are secured by way of first ranking pari passu charge on all Fixed Assets (Immovable & movable; both present & future) of the Company & second ranking pari passu charge on Current Assets (Both present & future) of the Company. These loans are further secured by way of pledge of 30% equity shares of the Company as held by Jaypee Uttar Bharat Vikas Private Limited on pari passu basis & shortfall undertaking of Jaiprakash Associates Limited.

iii) YBL - The Loan from YBL is secured by way of first pari passu charge on all immovable and movable fixed assets (both present & future), extension of pledge over 30% share capital of the company as held by JUBVPL and NDU over 44% share capital of Bhilai Jaypee Cement Limited (as pari passu basis with other facilities of the bank). The charge, pledge and NDU are yet to be created. The rate of interest is floating 0.10% (zero point one zero percent) ("spread") over & above the Bank's one year MCLR. The loan is repayable in 57 equal installments starting from June,2019. The amount outstanding as at 31.03.2018 is Rs. 110,00,00,000/- (Previous Year - Nil).

iv) SREI - The loan from SREI is secured by way of subservient charge on current assets of the company. The rate of interest is 10% p.a. The repayment is in 34 equated installments starting from December, 2017.

v) ICICI Bank Ltd. - Nil. The loan has been repaid in full during the current financial year.

NOTE No. "17"		
Other Financial Liabilities		
Security and Other Deposits	118,039,161	124,507,604
	118,039,161	124,507,604
NOTE No. "18"		
Long Term Provisions		
Provision for Employee Benefit		
Gratuity	19,840,615	17,634,755
Leave Encashment	16,983,668	16,951,026
	36,824,283	34,585,781
NOTE No. "19"		
Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities on Account of		
Timing Difference in Fixed Assets	588,338,200	546,539,966
	588,338,200	546,539,966
Deferred Tax Assets on Account of		
Employee Benefit	15,857,868	15,120,556
Others	190,842,488	279,796,861
	206,700,356	294,917,417
	381,637,844	251,622,549

(Amount in ₹)

Particulars	As on 31st March 2018	As on 31st March 2017
NOTE No. "20"		
Borrowings		
From Banks (Secured)		
State Bank of India	3,793,811,601	3,959,795,111
ICICI Bank Ltd	545,778,170	484,952,310
Yes Bank Ltd (YBL)	249,148,456	-
	4,588,738,227	4,444,747,421

i) A consortium of Banks comprising State Bank of India and ICICI Bank has sanctioned working capital facilities of Rs.720,00,00,000/- (both Fund Based and Non Fund Based).

These working capital facilities are secured by way of pari passu first charge on current assets comprising of stocks, stores & spares , stock in progress, finished goods,material in transit and book debts (both present & future) & pari passu second charge on Fixed assets (movable & immovable, both present & future).

ii) Yes Bank Limited has sanctioned overdraft facility of Rs. 50,00,00,000/- (Rupees Fifty crores only). The facility is secured by way of subservient charge over current assets of the borrower , extension of pledge over 30% of share capital of Bhilai Jaypee Cement Limited held by JAL & NDU of 74% shares of Bhilai Jaypee Cement Limited (BJCL) to be provided by JAL.The charge, pledge and NDU are yet to be created.

NOTE No. "21"		
Trade Payables		
Others	3,857,590,699	3,125,090,340
	3,857,590,699	3,125,090,340

Details relating to Micro, Small and Medium Enterprises is as under -

a) Principal amount	Nil	Nil
b) Interest thereon	Nil	Nil
c) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d) The amount of interest due and payable for the period of delay in making payment without additing the interest specified	Nil	Nil
e) The amount of interest accrued and remaining unpaid as at March 31, 2018	Nil	Nil
f) The amount of interest remaining due and payable even in the suceeding years, until such date when the the interest is actually paid	Nil	Nil

NOTE No. "22"		
Other Financial Liabilities		
Current Maturities of Long-Term Debt (Secured, Considered Good)		
ICICI Bank Ltd	-	750,000,000
State Bank of India	134,400,000	235,200,000
India Infrastrucrure Finance Company Limited	25,600,000	25,600,000
SREI Equipment Finance Limited	134,671,114	-
Payable on Account of Employees	40,790,912	39,116,783
Security and Other Deposits	15,725,163	14,455,480
Amount Payable to Related Parties	2,060,000	734,157,015
Other Payable	403,022,728	1,166,269,032
	756,269,917	2,964,798,310

NOTE No. "23"		
Other Current Liabilities		
Statutory Taxes and Dues	30,925,239	50,509,240
Advance Received from Customers	91,897,647	22,084,188
	122,822,886	72,593,428

Kanpur Fertilizers & Cement Limited

Notes to the Financial Statements for the Period Ended 31st March, 2018

(Amount in ₹)

Particulars	As on 31st March 2018	As on 31st March 2017
NOTE No. "24"		
Provisions		
Gratuity	5,908,422	5,329,791
Leave Encashment	5,234,229	5,821,136
	11,142,651	11,150,927
NOTE No. "25"		
Current Tax Liability		
Provision for Income Tax	93,738,570	76,868,860
	93,738,570	76,868,860

(Amount in ₹)

Particulars	2017-18	2016-17
NOTE No. "26"		
Revenue from Operation		
Sale of Products		
Urea Sale	4,012,239,163	3,944,553,580
Govt Subsidy- Urea	16,914,241,253	16,776,159,968
Sale-Flyash	4,524,363	3,495,238
	20,931,004,779	20,724,208,786
Other operating revenue		
Sale -Traded Product	758,222,554	793,086,257
Govt Subsidy- DAP	344,506,518	339,017,568
	1,102,729,072	1,132,103,825
Less : Discount	31,029,329	4,568,503
	22,002,704,522	21,851,744,108
NOTE No. "27"		
Other Income		
Interest Income (Including Fair Value of Financial Liability at Amortised Cost)	81,690,581	29,572,180
Insurance Claim Received	-	177,183
Foreign Exchange Gain (Net)	13,288,028	-
Misc Receipts	9,250,233	1,578,469
	104,228,842	31,327,832
NOTE No. "28"		
Cost of material Consumed		
Raw Materials Consumed	11,928,341,733	10,208,596,618
Electricity Charges	4,636,354,386	4,728,449,043
Coal Consumed	416,663,558	379,176,061
Water charges	11,944,937	12,774,941
Bags Consumed	225,273,439	264,187,516
Store and Spares Consumed	226,841,623	466,735,470
Freight & Material Handling	12,840,615	23,738,470
Repairs & Maintenance - Plant	202,028,818	349,205,951
Testing and Analysis Fees	3,176,560	3,351,031
Naphtha Consumed	-	105,531,795
	17,663,465,669	16,541,746,896
NOTE No. "29"		
Purchases of Stock-in-Trade		
Imported DAP	882,951,364	903,583,776
Wheat seed	84,895,147	117,885,290
Calcium Nitrate	4,599,860	-
Zyme	17,882,700	9,134,700
Micro Nutrient	13,813,685	1,646,302
Sulphur	7,830,563	9,227,381
Zink Sulphate	12,047,914	16,005,318
Single Super Phosphate	369,862	6,652,419
Others	2,338,463	2,568,562
	1,026,729,558	1,066,703,748
NOTE No. "30"		
Changes in Inventories of Finished Goods Work-in-Progress		
Opening Stock		
Work-in-Progress	252,564,476	523,319,704
Finished Goods	494,819,019	554,139,972
	747,383,495	1,077,459,676
Closing Stock		
Work-in-Progress	260,813,710	252,564,476
Finished Goods	993,067,856	494,819,019
	1,253,881,566	747,383,495
	(506,498,071)	330,076,181

(Amount in ₹)

Particulars	2017-18	2016-17
NOTE No. "31"		
Employee Benefit Expense		
Salaries and Wages	442,354,694	387,341,611
Contribution to Provident and Other Funds	20,733,708	17,701,373
Gratuity	5,107,460	2,238,018
Staff Welfare	16,175,107	16,896,996
	484,370,969	424,177,998
NOTE No. "32"		
Finance Cost		
Interest to Banks on Working Capital	505,376,495	557,760,894
Interest to Banks on Term Loan	443,403,210	540,760,405
Interest to Others	110,317,029	157,317,724
Financial Charges	15,337,347	19,935,356
	1,074,434,081	1,275,774,379
NOTE No. "33"		
Depreciation and Amortization expense		
Depreciation on Tangible Assets	738,354,028	730,933,899
Amortization of Intangible Assets	1,064,450	1,064,450
	739,418,478	731,998,349
NOTE No. "34"		
Other expenses		
Repairs & Maintenance - Others	76,737,419	68,701,825
Insurance	17,270,680	21,734,197
Rates & Taxes	13,732,355	6,326,910
Loading & Unloading Charges	122,955,676	143,416,454
Rent of Godown	14,993,025	5,269,992
Travelling & Conveyance Expenses	39,710,606	26,756,228
Postage, Telephone & Internet	4,102,984	4,949,175
Corporate Social Responsibility	6,837,678	2,641,156
Foreign Exchange Loss	-	6,849,234
Vehicle Running & Hiring Charges	19,485,609	18,959,574
Freight & Octroi Expenses	691,235,835	667,722,768
Advertising and Sales Promotion	13,743,902	24,945,411
Printing & Stationery	647,826	415,453
Legal & Professional	84,835,503	50,937,060
Bank Charges & LC/BG Commission	26,107,943	20,817,250
Safety & Security	36,034,871	31,754,303
Recruitment Charges	863,866	793,265
Horticulture and Gardening	8,535,687	4,304,077
Auditors Remuneration	700,000	517,500
Loss on Retirement of Fixed Assets	-	1,371,719
Miscellaneous Expenses	3,798,368	5,728,323
	1,182,329,833	1,114,911,874

1. Contingent Liability and Commitments not provided for in respect of

Amount in ₹

Particulars	2017-18	2016-17
a) Claims against the Disputed Liability (Including Tax) not acknowledged as Debt (TDS demand for the AY 12-13 on Bank Guarantee Commission is disputed and appeal has been filed with Commissioner Appeals against the order of DCIT - TDS. Regular assessments of AY 12-13 appeal with ITAT and AY 13-14 in appeal with CIT (Appeals)).	32,07,20,851	4,71,30,480
b) Outstanding Balances of Bank Guarantees	6,46,81,509	46,49,42,274
Margin Money deposited against the above	6,76,05,195	10,78,65,960
c) Outstanding Letters of Credit (including Foreign LCs)	80,11,35,585	80,00,00,000
Margin Money deposited against the above	8,28,12,251	8,06,50,399
d) Capital Commitments: Estimated amount of Contract remaining to be executed on Capital Account and not provided for (net of Advances)	106,11,46,442	15,77,08,060

2. Related Party Disclosure

Name of Related Party and Relationship

a) **<u>Holding Company</u>**

Jaypee Uttar Bharat Vikas Private Limited, Jaypee Fertilizers & Industries Limited & Jaiprakash Associates Limited

b) **<u>Fellow Subsidiary Companies</u>**

1. Jaypee Infratech Limited (JIL)
2. Bhilai Jaypee Cement Limited
3. Himalyan Expressway Limited
4. Gujarat Jaypee Cement & Infrastructure Limited
5. Jaypee Ganga Infrastructure Corporation Limited
6. Jaypee Agra Vikas Limited
7. Jaypee Cement Corporation Limited
8. Himalyaputra Aviation Limited
9. Jaypee Assam Cement Limited
10. Jaypee Infrastructure Development Limited
11. Jaypee Healthcare Limited
12. Jaypee Cement Hockey (India) Limited
13. Jaiprakash Agri Initiatives Company Limited
14. Yamuna Expressway Tolling Limited

c) **Associate Companies:**

1. Jaiprakash Power Ventures Limited (JPVL)
2. Jaypee Powergrid Limited (JV subsidiary of JPVL)
3. Jaypee Arunachal Power Limited (wholly owned subsidiary of JPVL))
4. Sangam Power Generation Company Limited (wholly owned subsidiary of JPVL)
5. Jaypee Meghalaya Power Limited (wholly owned subsidiary of JPVL)
6. Bina Power Supply Limited (wholly owned subsidiary of JPVL)
7. MP Jaypee Coal Limited (JV Associate Co.)
8. MP Jaypee Coal Fields Limited (JV Associate Co.)
9. Madhya Pradesh Jaypee Minerals Limited (JV Associate Co.)
10. Jaypee Infra Ventures (A Private Company With Unlimited Liability) (JIV)
11. Jaypee Development Corporation Limited (JDCL) (wholly owned subsidiary of JIV)
12. Andhra Cements Limited (subsidiary of JDCL)
13. JIL Information Technology Limited (JILIT) (Subsidiary of JIV)
14. Gaur & Nagi Limited (wholly owned subsidiary of JILIT)
15. Jaypee International Logistics Company Private Limited (wholly owned subsidiary of JIV)
16. Tiger Hills Holiday Resort Private Limited (wholly owned subsidiary of JDCL)
17. Anvi Hotels Private Limited (subsidiary of JIV) (dissolved w.e.f. 16.07.16)
18. Indesign Enterprises Private Limited (IEPL) (subsidiary of JIV)
19. Ibonshourne Limited (subsidiary of IEPL w.e.f. 11.01.16)
20. RPJ Minerals Private Limited (RPJMPL)
21. Sarveshwari Stone Products Private Limited (wholly-owned subsidiary of RPJMPL)
22. Rock Solid Cement Limited (wholly-owned subsidiary of RPJMPL)
23. Sonebhadra Minerals Private Limited

d) **KMP based Associate Companies**

1. Jaiprakash Kashmir Energy Limited (KMP based Associate Co.) (controlled by Shri Manoj Gaur and his relatives)

   [JAL holds 14.29% shares, Shri Manoj Gaur & his relatives hold 57.14% shares] [This company is in the process of striking off of name by ROC]
2. Ceekay Estates Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)
3. Jaiprakash Exports Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur/ Shri Sunny Gaur)
4. Bhumi Estate Developers Private Limited (KMP based Associate Co.) (Jointly controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur and also by relative of Shri Rahul Kumar)
5. Jaypee Jan Sewa Sansthan ('Not For Profit' Private Limited Company) (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur/ Shri Sunny Gaur)
6. Think Different Enterprises Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur)
7. JC World Hospitality Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)

8. JC Wealth & Investments Private Limited (KMP based Associate Co.) (Jointly controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)
9. CK World Hospitality Private Limited (KMP based Associate Co.) (Jointly controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)
10. First Light Estates Private Limited (Mrs. Rekha Dixit ji holds 55% shares in this company)

e) Key Managerial Personnel

1. Shri Manoj Gaur – Non Executive Chairman
2. Shri A.K. Jain – Vice Chairman & CEO
3. Shri Sunny Gaur – Non Executive Director
4. Ms. Sunita Joshi – Non Executive Director
5. Shri Sunil Joshi – Non Executive Director
6. Shri S.D.M. Nagpal – Non Executive Director
7. Shri S.C.K. Patne- – Non Executive Director
8. Shri K.C. Ganjwal – Non Executive Director
9. Shri R.K. Pandey – Non Executive Director
10. Shri S.D. Nailwal – Non Executive Director
11. Shri Gaurav Jain – Whole-time Director
12. Shri Sudhir Rana – Chief Financial Officer
13. Smt. Suman Lata – Company Secretary

The Related Party Transactions are as follows:

Amount in ₹

Particulars	**Related party**	**2017-18**	**2016-17**
Expenditure			
Salary	Referred in (e) above	1,81,23,939	88,68,129
Car Hire Charges	Referred in (e) above	6,60,000	5,40,000
Reimbursement Towards Expenses	Referred in (a) above	2,68,28,900	299,82,541
Purchase of Goods & Services Received	Referred in (a & b) above	234,12,46,135	176,32,41,851
Outstanding Balances		**As at March 31, 2018**	**As at March 31, 2017**
Receivable	Referred in (a) above	110,11,64,389	987,31,767
Payable	Referred in (b) above	20,60,000	73,41,57,015

3. Financial Instrument

(i) Capital Management

The gearing ratios at the end of reporting year are as under:

Amount in ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Debt*	819,79,30,004	759,90,53,035
Cash and Bank Balances (including cash and bank balances in a disposal group held for sale)	44,73,95,793	32,38,48,202
Net Debt	**775,05,34,211**	**727,52,04,833**
Total Debt + Equity	1597,80,38,093	1520,25,76,003
Net Debt to Equity Ratio	48.51%	47.86%

*Debt is defined as long-term and short-term borrowings.

(ii) Categories of Financial Instruments

Amount in ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Financial Assets measured at Amortised Cost a) Cash and Cash Equivalent including Bank Balances	44,73,95,793	32,38,48,202
b) Loan	12,30,74,339	9,87,31,767
c) Other Financial Assets	108,38,01,798	10,13,78,753
d) Trade Receivable	783,85,14,707	858,03,64,845
Total	**949,27,86,637**	**910,43,23,567**

Amount in ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Financial Liabilities measured at Amortised Cost a) Long Term Borrowing	331,45,20,663	214,35,05,614
b) Short Term Borrowing	458,87,38,227	444,47,47,421
b) Trade Payable	385,75,90,699	312,50,90,340
c) Other Financial Liability	87,43,09,078	308,93,05,914
Total	**1263,51,58,667**	**1280,26,49,289**

(iii) Fair Value Measurement

Amount in ₹

Particulars	Fair Value on ERR of 13% as at		Fair Value Hierarchy	Valuation Technique(s) and Key Input(s)
	March 31, 2018	March 31, 2017		
Financial Assets				
Security Deposit	5,95,330	5,80,325	Level 2	
Financial Liabilities				
Borrowing	331,45,20,663	214,35,05,614	Level 2	
Security Deposit	11,80,39,161	12,45,07,604	Level 2	

(iv) Financial Risk Management

(a) Interest Rate Risk Management

The company is exposed to interest rate risk because company borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest Rate Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Amount in ₹

Particulars	Interest Impact as at	
	March 31, 2018	March 31, 2017
If Increase by 50 Basis Point		
Impact on Profit or Loss for the year	(166,50,088)	(108,03,884)
Impact on Total Equity as at the end of the reporting period	(166,50,088)	(108,03,884)
If Decrease by 50 Basis Point		
Impact on Profit or Loss for the year	166,50,088	108,03,884
Impact on Total Equity as at the end of the reporting period	166,50,088	108,03,884

(b) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and Interest Risk Tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

Amount in ₹

Particulars	Weighted Average Effective Interest Rate (%)	Within 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
As at March 31, 2018						
Borrowing	13	488,34,09,341	234,28,64,091	98,72,00,000	821,34,73,432	819,79,30,004
Trade Payables	13	385,75,90,699			385,75,90,699	385,75,90,699
Other Financial Liabilities	13	46,15,98,803		24,18,50,206	70,34,49,009	57,96,37,964
Total		**920,25,98,843**	**234,28,64,091**	**122,90,50,206**	**1277,45,13,140**	**1263,51,58,667**
As at March 31, 2017						
Borrowings	13	545,55,47,421	88,56,00,000	127,52,00,000	761,63,47,421	759,90,53,035
Trade Payables	13	312,50,90,340			312,50,90,340	312,50,90,340
Other Financial Liabilities	13	195,39,98,310		22,96,05,481	218,36,03,791	207,85,05,914
Total		**1053,46,36,071**	**88,56,00,000**	**150,48,05,481**	**1292,50,41,552**	**1280,26,49,289**

(v) The fair values of current debtors, bank balances, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

Amount in ₹

Particulars	**Carrying Value as at**	
	March 31, 2018	**March 31, 2017**
i) Financial Assets - Current		
Trade Receivables	783,85,14,707	858,03,64,845
Cash and Cash Equivalents	21,92,27,410	17,47,87,672
Bank Balances	22,81,68,383	14,90,60,530
Loans	12,30,74,339	9,87,31,767
Other Financial Assets	108,14,24,155	3,46,55,565
ii) Financial Liabilities - Current		
Borrowings	458,87,38,227	444,47,47,421
Trade Payables	385,75,90,699	312,50,90,340
Other Financial Liabilities	75,62,69,917	296,47,98,310

(vi) The following list represents more than 5% of total balance of trade receivable:

Amount in ₹

S.No	**Particulars**	**As at March 31, 2018**	**As at March 31, 2017**
1	FICC, GoI	692,44,80,552	796,79,84,583

Amount in ₹

Age of Receivables	**As at March 31, 2018**	**As at March 31, 2017**
0-30 days	170,87,10,376	190,08,86,392
31-60 days	370,21,77,226	221,50,60,425
61-75 days	43,88,401	75,14,14,880
76-180 days	116,00,45,827	150,75,51,610
181 days & above	126,31,92,877	220,54,51,538

(vii) Deposits Liened With -

Amount in ₹

S.No.	TDR No.	Date of Deposit	Amount Rs.	Authorities, Pledged With
1	37232660663	12-10-2017	1,50,00,000	State Bank of India towards GAIL)
2	37025292515	18-07-2017	7,25,00,000	State Bank of India towards DAP
3	37024509915	18-07-2017	1,00,00,000	State Bank of India towards GAIL)
4	37043505395	27-07-2017	75,00,000	State Bank of India towards DAP
5	32944346915	16-04-2016	7,64,90,273	State Bank of India towards DSRA
6	36323846542	17-03-2017	4,83,138	State Bank of India towards DSRA
7	32999387721	15-02-2017	8,85,853	State Bank of India against Railways Bank Guarantee for online freight payment.
8	33761290416	31-03-2017	5,78,12,521	State Bank of India (e State Bank of Patiala) against SBLC to GAIL (India) Ltd.
9	34171397532	09-09-2016	5,34,19,030	State Bank of India towards DSRA
10	34898624286	28-04-2016	1,14,36,551	State Bank of India towards DSRA
11	36279409101	01-12-2016	2,77,362	State Bank of India against Bank Guarantee to U.P.VAT
12	35817636993	06-06-2016	3,18,69,176	State Bank of India towards DSRA
13	36448895508	13-01-2017	88,31,509	State Bank of India against BG in favour of President Officer, Labour Court
14	714997318	01-04-2016	8,91,208	ICICI Bank Ltd. against Bank Guarantee to Sales Tax Authorities
15	714358239	01-04-2016	1,28,314	ICICI Bank Ltd. against Bank Guarantee to Punjab VAT
16	714425042	23-04-2016	5,71,83,040	ICICI bank Ltd. against BG to KESKO
17	32250645718	22-03-2012	32,199	State Bank of India against BG to Haryana VAT
18	32844977524	26-02-2013	3,49,542	State Bank of India UP Power Corporation Limited
19	34213211634	16-09-2014	12,43,654	State Bank of India UP Power Corporation Limited
	Total		**40,63,33,370**	

4. Previous year figures have been regrouped/ reclassified wherever found necessary to make them confirm to the current year classification.
5. All figures have been rounded off to the nearest rupee.

Summary of Significant Accounting Policies &
Notes to the Financial Statements "1" to "35"
As per our report of even date attached to the Balance Sheet

For Ravi Rajan & Co.
Chartered Accountants
Registration No. 009073N

(Ravi Kumar)
Partner
M. No. 508424

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

(Suman Lata)
Company Secretary
FCS-4394

(Sudhir Rana)
Chief Financial Officer

(A.K. JAIN)
Vice Chairman & CEO
DIN: 01731920

Place: New Delhi
Dated : 05.05.2018

Kanpur Fertilizers & Cement Limited
Balance Sheet as at 31st March 2018

(Amount in ₹)

Particulars	Note No	As on 31st March 2018	As on 31st March 2017
Assets			
Non Current Assets			
Property, Plant and Equipment	3	9,712,329,462	10,361,803,536
Capital Work in Progress	4	7,056,997	8,951,176
Goodwill		393,701	1,458,151
Financial Assets			
Other Financial Assets	5	2,377,643	66,723,188
Other Non Current Assets	6	83,767	93,064
		9,722,241,570	**10,439,029,115**
Current Assets			
Inventories	7	1,614,287,565	1,121,358,069
Financial Assets			
Trade Receivable	8	7,838,514,707	8,580,364,845
Cash and Cash Equivalents	9	219,227,410	174,787,672
Bank Balance other than above	10	228,168,383	149,060,530
Loans	11	123,074,339	98,731,767
Other Financial Assets	12	1,081,424,155	34,655,565
Other Current Assets	13	681,890,654	578,854,441
		11,786,587,213	**10,737,812,889**
		21,508,828,783	**21,176,842,004**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	2,310,822,250	2,005,822,250
Other Equity	15	5,916,681,632	5,921,548,920
		8,227,503,882	**7,927,371,170**
Non Current Liabilities			
Financial Liabilities			
Borrowing	16	3,314,520,663	2,143,505,614
Other Financial Liabilities	17	118,039,161	124,507,604
Provisions	18	36,824,283	34,585,781
Deferred Tax Liabilities (Net)	19	381,637,844	251,622,549
		3,851,021,951	**2,554,221,548**
Current Liabilities			
Financial Liabilities			
Borrowings	20	4,588,738,227	4,444,747,421
Trade payables	21	3,857,590,699	3,125,090,340
Other Financial Liabilities	22	756,269,917	2,964,798,310
Other Current Liabilities	23	122,822,886	72,593,428
Provisions	24	11,142,651	11,150,927
Current Tax Liabilities(Net)	25	93,738,570	76,868,860
		9,430,302,950	**10,695,249,286**
Total		**21,508,828,783**	**21,176,842,004**

Summary of Significant Accounting Policies & Notes to the Financial Statements "1" to "35"

For Ravi Rajan & Co.
Chartered Accountants
Registration No. 009073N

(Ravi Kumar)
Partner
M. No. 508424

Place: New Delhi
Dated : 05.05.2018

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

(Suman Lata)
Company Secretary
FCS-4394

(Sudhir Rana)
Chief Financial Officer

(A.K. JAIN)
Vice Chairman & CEO
DIN: 01731920

Kanpur Fertilizers & Cement Limited

Profit and Loss for the Period Ended 31st March 2018

(Amount in ₹)

Particulars	Note No	2017-18	2016-17
Revenue From Operations	26	22,002,704,522	21,851,744,108
Other Income	27	104,228,842	31,327,832
Total Income		**22,106,933,364**	**21,883,071,940**
Expenses			
Cost of Materials Consumed	28	17,663,465,669	16,541,746,896
Purchases of Stock-in-Trade	29	1,026,729,558	1,066,703,748
Excise Duty		8,717,851	41,625,586
Changes in Inventories of Finished Goods & Work-in-Progress	30	-506,498,071	330,076,181
Employee Benefits Expense	31	484,370,969	424,177,998
Finance costs	32	1,074,434,081	1,275,774,379
Depreciation and amortization Expense	33	739,418,478	731,998,349
Other expenses	34	1,182,329,833	1,114,911,874
Total Expenses		**21,672,968,368**	**21,527,015,011**
Profit Before Exceptional Items and Tax		433,964,996	356,056,929
Exceptional Items		-	-
Profit Before Tax		**433,964,996**	**356,056,929**
Tax Expense:			
(1) Current Tax		93,738,570	76,868,860
(2) Mat Credit Entitlement		-93,738,570	-76,868,860
(2) Deferred Tax		131,277,193	111,257,122
Total Tax Expenses		**131,277,193**	**111,257,122**
Profit/(Loss) for the Period		**302,687,803**	**244,799,807**
Other Comprehensive Income			
Items that Will Not be Reclassified to Profit or Loss			
Remeasurements of the Defined Benefit Plans		-3,816,989	4,961,785
Less: Income Tax		-1,261,898	1,640,365
Total Other Comprehensive Income		**-2,555,091**	**3,321,420**
Total Comprehensive Income for the Period		**300,132,712**	**248,121,227**
Earnings per Equity Share			
(1) Basic		1.34	1.22
(2) Diluted		0.86	0.71

Summary of Significant Accounting Policies & Notes to the Financial Statements "1" to "35"

For Ravi Rajan & Co.
Chartered Accountants
Registration No. 009073N

(Ravi Kumar)
Partner
M. No. 508424

Place: New Delhi
Dated : 05.05.2018

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

(Suman Lata)
Company Secretary
FCS-4394

(Sudhir Rana)
Chief Financial Officer

(A.K. JAIN)
Vice Chairman & CEO
DIN: 01731920

Kanpur Fertilizers & Cement Limited
Statement of Changes in Equity For The Period Ended 31st March, 2018

Equity

Particulars	(Amount in ₹)
a. Equity share capital	
Balance as at 31st March 2017	2,005,822,250
Equity Share Issued During the Year	305,000,000
Balance as at 31st March 2018	2,310,822,250

Other Equity (Amount in ₹)

Particular	**Equity Component of Compulsory Convertible Preference Share Including Security Premium**	**Security Premium**	**Retained Earnings**	**Remeasurements of the Defined Benefit Plans**	**Total**
Balance as at 31st March 2017	3,757,500,000	1,999,500,000	144,237,767	20,311,153	5,921,548,920
Profit For the Year			302,687,803		302,687,803
Remeasurement of Defined Benefit Liability(Net of Tax)				(2,555,091)	(2,555,091)
Changes During The Year	(610,000,000)	305,000,000			(305,000,000)
Balance as at 31st March 2018	3,147,500,000	2,304,500,000	446,925,570	17,756,062	5,916,681,632

For Ravi Rajan & Co.
Chartered Accountants
Registration No. 009073N

(Ravi Kumar)
Partner
M. No. 508424

Place: New Delhi
Dated : 05.05.2018

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

(Suman Lata)
Company Secretary
FCS-4394

(Sudhir Rana)
Chief Financial Officer

(A.K. JAIN)
Vice Chairman & CEO
DIN: 01731920

Kanpur Fertilizers & Cement Limited
Cash Flow Statement For The Year Ended 31st March 2018

(Amount in ₹)

	Cash Flow Statement	2017-18	2016-17
A	**Cash Flows From Operating Activities**		
	Profit For the Year	433,964,996	356,056,929
	Adjustments For:		
	- Depreciation	739,418,478	731,998,349
	- Interest and Finance Charges	1,074,434,081	1,275,774,379
	- Loss on Fixed Assets Sold / Discarded	-	1,371,719
	- Interest Income on Fixed Deposits	(81,690,581)	(24,485,037)
	- Fair Value of Financial Liability at Amortised Cost	-	(5,087,143)
	- Remeasurement of Acturial Gain/Loss	(2,555,091)	3,321,420
	Operating Profit Before Working Capital Changes	2,163,571,883	2,338,950,616
	Adjustments for :		
	- (Increase) / Decrease in Inventories	(492,929,496)	567,695,955
	- (Increase) / Decrease in Trade Receivables	741,850,138	3,155,521,720
	- (Increase) / Decrease in Other Financial Assets	(982,423,045)	(14,864,479)
	- (Increase) / Decrease in Other Current Assets	(103,036,213)	(104,027,074)
	- Increase / (Decrease) in Trade Payables	732,500,359	(2,419,106,386)
	- Increase / (Decrease) in Other Current Liabilities	50,229,458	(50,773,744)
	- Increase / (Decrease) in Other Financial Liabilities and Provision	(2,212,766,610)	59,569,893
	- Change in Other Non Current Assets	9,297	(38,019)
	Cash Generated From Operations	(102,994,229)	3,532,928,482
	- Income Tax Refund/ (Paid)	15,607,812	(39,617,296)
	Net Cash Flow Generated From Operating Activities	**(87,386,417)**	**3,493,311,186**
B	**Cash Flow From Investing Activities**		
	- Additions To PPE And Intangible Assets (Including Net Movement In CWIP)	(86,985,775)	(120,435,321)
	- Interest Received	81,690,581	24,485,037
	- Investment In Fixed Deposit	(79,107,853)	(60,727,285)
	Net Cash Flows (Used In) Investing Activities	**(84,403,047)**	**(156,677,569)**
C	**Cash Flow From Financing Activities**		
	- Proceeds/(Repayments) of Long Term Borrowings	1,171,015,049	(1,105,400,000)
	- (Repayments Of) / Proceeds From Short Term Borrowings (Net)	143,990,806	(997,919,123)
	- Loan to/from Related Party	(24,342,572)	21,510,073
	- Interest And Finance Charges Paid	(1,074,434,081)	(1,250,073,095)
	Net Cash Flows (Used In)/ Generated From Financing Activities	**216,229,202**	**(3,331,882,145)**
	Net Change In Cash And Cash Equivalents (A+B+C)	44,439,738	4,751,472
	Cash And Cash Equivalents- Opening Balance	174,787,672	170,036,200
	Cash And Cash Equivalents- Closing Balance	**219,227,410**	**174,787,672**
	Notes To Cash Flow Statement:		
	Cash And Cash Equivalents Include :		
	Cash on Hand	902,818	817,890
	Balances with Banks:	218,324,592	173,969,782
	Cash And Cash Equivalents At The End Of The Year [Refer Note No 9]	**219,227,410**	**174,787,672**

Summary of Significant Accounting Policies &
Notes to the Financial Statements "1" to "35"

For Ravi Rajan & Co.
Chartered Accountants
Registration No. 009073N

(Ravi Kumar)
Partner
M. No. 508424

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

Place: New Delhi
Dated : 05.05.2018

(Suman Lata)
Company Secretary
FCS-4394

(Sudhir Rana)
Chief Financial Officer

(A.K. JAIN)
Vice Chairman & CEO
DIN: 01731920

Note No."1" Nature of Operations

Kanpur Fertilizers & Cement Limited (KFCL) was incorporated on 31st May 2010. The Company was formed with one of its objectives to undertake the business in manufacturing, selling and trading of fertilizers and related activities. The Company is subsidiary of Jaypee Uttar Bharat Vikas Private Limited (JUBVPL).

The Company has 7,22,700 MT / Per Annum Urea manufacturing plant on approximately 243 Acres of land at Panki Industrial Area, Kanpur, U.P. The plant restarted commercial operations after revamp, changeover from Naphtha to Natural Gas (NG) as feed stock and certain Energy Savings Measures with effect from June 1, 2014.

Note No."2" Significant Accounting Policies

a. Basis of preparation

The Company has adopted accounting policies that comply with Indian Accounting standards (IND AS or Ind AS) notified by Ministry of Corporate Affairs vide notification dated 16 February 2015 under section 133 of the Companies Act 2013. Accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements referred hereinafter have been prepared in accordance with the requirements and instructions of Schedule III of the Companies Act 2013, amended from time to time applicable to companies to whom IND AS applies read with the IND AS's.

b. Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) up to the date of acquisition/ installation], net of accumulated depreciation and accumulated impairment losses, if any.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset when the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed in Schedule II to the Companies Act, 2013 as under:

Assets	Useful Lives
Building	30 Years
Plant and Machinery	15 years
Vehicle	4 - 8 years
Office equipment	5 years
Furniture and fittings	10 years

Individual assets acquired for Rs. 5000/- or less are depreciated fully in the year of acquisition.

Freehold land is not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss when the asset is derecognized.

c. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost which comprise purchase price (including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates) and any directly attributable cost of preparing the asset for its intended use. An intangible assets acquired in a business combination is recognized at fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation is recognized on a straight line basis over their estimated useful life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates being accounted for on a prospective basis. The amortisation expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Computer Software is amortized over a period of 5 years.

The Goodwill arising on Shares issued to DIL shareholders in pursuant to Demerger Scheme dated 16.01.2012 of Hon'ble BIFR is being amortized equally over the period of five years.

d. Inventories

Inventories of raw material, finished goods, work in progress / stock in process, traded goods and stores & spares are valued at lower of cost or net releasable value. Cost is determined on weighted average basis. Cost comprises of purchase & other costs incurred in bringing then to their present location & condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

e. Revenue Recognition

Sales

Sale of goods is recognized when the significant risks and rewards of ownership of the goods have been transferred to the buyers, the Company retains neither continuing managerial involvement nor effective control over the goods sold, it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably & no significant uncertainty exists regarding amount of consideration.

The risks and rewards of ownership of the goods are usually transferred at the time of delivery of the goods to customers.

The amount of sale is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates; value added taxes and amounts collected on behalf of third parties.

The Company manufactures Urea, which is rate regulated by Government of India (GoI). Subsidy from Urea is recognized in sales / income on the bills generated through Integrated Fertilizers Monitoring System (IFMS) of GoI on accrual basis in profit & loss accounts in accordance with Ind AS 20. Subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

Subsidy on Urea including freight has been accounted as Revenue at the rate estimated by the Management on the basis of following parameters:

1) the notified concession prices as per
   (i) the New Pricing Scheme – Stage III and New Investment Policy 2012;
   (ii) New Urea Policy 2015;
   (iii) Uniform Freight Policy; and
2) Submission of inputs on regular basis to FICC for revision of prices of urea subsidy relating to the basic cost of production and fixed cost on account of escalation/de-escalation claim.
3) Escalation/De-escalation in notified rates is estimated taking into account the effect of guidelines, policies, instructions and clarifications given by the Government.

The difference arising on final notification received for escalation/de-escalation claim is treated as current year income or expenditure and the effect of change in estimate, if material, is disclosed separately.

Subsidy on Phosphatic and Potassic (P&K) fertilizers is recognized in accordance with Nutrient Based Subsidy (NBS) Policy from time to time and Freight subsidy has been accounted for in line with the policy.

Subsidy on City Compost is recognized as per the Market Development Assistance (MDA), as notified by the Government of India.

Interest

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

f. Foreign Currency Transaction

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period-

i. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

ii. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
iii. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise.

g. Retirement and other employee benefits

i) Retirement benefit costs

Payments to retirement benefit plans such as provident fund are recognized as an expense.

For retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorized as follows:
- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee Benefits Expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Past service cost is recognized in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

ii) *Short-term and other long-term employee benefits*

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. These benefits include bonus/incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

h. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

i. Leases

Finance lease
Leases of property, plant and equipment are classified as finance leases where the lessor has substantially transferred all the risks and rewards of ownership to the Company.

Operating lease
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or 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 lessor's expected inflationary cost increases.

The Company has land on lease for the period of 999 years, and hence, is treated as finance lease.

j. Earnings per share

Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

k. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted upto the end of the reporting period.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.

ii) Deferred tax

Deferred income tax is recognized using the balance sheet approach. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there be sufficient taxable profits against which to utilize the benefits of the temporary differences and are expected to reverse in the foreseeable future.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

In the case of unused tax losses probability is evaluated considering factors like existence of sufficient taxable temporary differences, convincing other evidence that sufficient taxable profit will be available. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets and, the Company recognizes a previously unrecognized Deferred Tax Asset to the extent that it has become probable that future taxable profit will allow the Deferred Tax Asset to be recovered.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in the said asset is created by way of credit to the statement of profit and loss as disclosed as 'MAT Credit Entitlement'. The Company reviews the 'MAT Credit Entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable Company and the same taxation authority.

iii) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

l. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

m. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

n. Contingent liabilities

A contingent liability is a possible obligation that arises from past events existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

o. Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

p. Use of estimates

The preparation of financial statements in conformity with Ind ASs requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

q. Cash and cash equivalents (for the purpose of Cash Flow Statement)

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

r. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an agreed transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1— Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2— Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
Level 3— Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

s. Financial Instrument

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.

Financial asset is any assets that is

- Cash;
- An equity instrument of another entity;
- A contractual right:
  - (i) To receive cash or another financial asset from another entity; or
  - (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or
- A contract that will or may be settled in the entity's own equity instruments and is:
  - (i) A non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - (ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets include current and non-current investments, loan to employees and body corporate, security deposits, trade receivables and other eligible current and non-current assets

Financial Liability is any liabilities that is

- A contractual obligation :
  - (i) To deliver cash or another financial asset to another entity; or
  - (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or

- A contract that will or may be settled in the entity's own equity instruments and is:

  - (i) A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - (ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Financial liabilities include Loans, trade payable and eligible current and non-current liabilities.

Transitional provisions in opening balance sheet as per Ind AS 101

The Company designates a previously recognized financial asset/financial liability as a financial asset/ financial liability measured at fair value through profit or loss on the basis of the facts and circumstances that exist at the date of transition to Ind ASs.

The Company has assessed whether a financial asset meets the conditions w.r.t. classification criteria on the basis of the facts and circumstances that exist at the date of transition to Ind ASs, practically feasible.

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:
(i) The entity's business model for managing the financial assets and
(ii) The contractual cash flow characteristics of the financial asset.

A financial asset is measured at amortized cost if both of the following conditions are met:
(i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:
(i) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or fair value through profit or loss.

Recognition

Financial assets and financial liabilities are recognized when and only when the Company becomes party to the contractual provisions of the instrument.

Initial Measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Subsequent measurement of financial assets

Financial assets are subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) as the case may be.

Financial liabilities are subsequently measured at amortized cost or fair value through profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets which are classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

Trade receivables

Trade receivables are recognized initially at fair value and all are considered as current subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortized cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset and that transactions are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected allowance is computed based on a provision matrix which takes into account historical experience and adjusted for forward-looking information.

De-recognition of financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks rewards of ownership and continues to control the transferred asset, the Company recognizes its interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying and the sum of the consideration received and receivable and the cumulative gain or loss that had recognized in other comprehensive income and accumulated in equity is recognized in profit or loss, such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset, other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of financial asset between the part it continues to recognize under continuing involvement, and the part that is no longer recognized on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and sum of the consideration received for the part no longer recognized and any cumulative gain or allocated to it that had been recognized in other comprehensive income is recognized in the statement of profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Financial Liabilities

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement being recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade payables

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period or not paid/payable within operating cycle. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of Company after deducting all of its liabilities. Equity instruments are recognized at the proceeds received, net of direct issue costs.

Preference share capital

At initial recognition, Preference share capital is classified as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Preference share capital is classified as a financial liability or an equity instrument based on the substance of a financial instrument, rather than its legal form.

Preference share is classified as an equity instrument if, and only if, both conditions a) and b) below are met

a) The instrument includes no contractual obligation:
   - To deliver cash or another financial asset to another entity; or
   - To exchange financial assets or financial liabilities with another entity under conditions that is potentially unfavorable to the issuer.

b) If the instrument will or may be settled in the issuer's own equity instruments, it is:
   - A non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or
   - A derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

Preference share capital is classified as a financial liability if it provides for mandatory redemption for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the issuer to redeem the instrument at or after a particular date for a fixed or determinable amount.

Compound financial instruments

The component parts of compound financial instruments (convertible instrument) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instrument are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible instrument using the effective interest method.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments substantially different terms is accounted for as an extinguishment of the original financial liability the recognition of a new financial liability. Similarly, a substantial modification of the terms of existing financial liability (whether or not attributable to the financial difficulty of the debtor)is accounted for as an extinguishment of the original financial liability and the recognition of a financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Kanpur Fertilizers & Cement Limited

Notes to the Financial Statements for the Year Ended 31st March, 2018

NOTE No. "3"
Property Plant & Equipment

(Amount in ₹)

Particulars	Lease Hold Land	Building	Plant & Machinery	EDP Machine	Furniture & Fittings	Office Equipments	AC & Coolers	Refrig.& Water Cooler	Television/Cinematography	Stores & Spares	Vehicles	Total
As at 31 March 2017	**2,434,387,000**	**833,616,341**	**8,891,013,822**	**67,446,125**	**34,102,559**	**1,616,733**	**11,854,453**	**1,968,797**	**8,800,101**	**42,341,229**	**21,168,431**	**12,348,315,591**
Additions		858,345	72,288,105	4,381,915	1,644,795	48,050	1,799,408	30,594	4,232,340	-	3,596,402	88,879,954
As at 31st March 2018	**2,434,387,000**	**834,474,686**	**8,963,301,927**	**71,828,040**	**35,747,354**	**1,664,783**	**13,653,861**	**1,999,391**	**13,032,441**	**42,341,229**	**24,764,833**	**12,437,195,545**
Accumulated Depreciation												
As at 31 March 2017	-	**85,542,966**	**1,814,041,655**	**49,025,375**	**12,267,074**	**1,054,455**	**4,455,615**	**795,442**	**2,830,810**	**7,997,788**	**8,500,875**	**1,986,512,055**
Charge for the year		30,362,529	692,279,284	4,207,804	3,180,954	203,224	1,214,961	176,886	1,237,601	2,822,749	2,668,036	738,354,028
As at 31st March, 2018	-	**115,905,495**	**2,506,320,939**	**53,233,179**	**15,448,028**	**1,257,679**	**5,670,576**	**972,328**	**4,068,411**	**10,820,537**	**11,168,911**	**2,724,866,083**
Net Block (As at 31 March 2017)	2,434,387,000	748,073,375	7,076,972,167	18,420,750	21,835,485	562,278	7,398,838	1,173,355	5,969,291	34,343,441	12,667,556	**10,361,803,536**
Net Block (As at 31st March, 2018)	**2,434,387,000**	**718,569,191**	**6,456,980,988**	**18,594,861**	**20,299,326**	**407,104**	**7,983,285**	**1,027,063**	**8,964,030**	**31,520,692**	**13,595,922**	**9,712,329,462**

Kanpur Fertilizers & Cement Limited

Notes to the Financial Statements for the Period Ended 31st March, 2018

NOTE No. "4"

Goodwill

Cost or Deemed Cost	(Amount in ₹)
Gross Block	
As at 31 March 2017	5,322,250
Addition during the period	-
As at 31st March 2018	**5,322,250**
Accumulated Amortisation	
As at 31 March 2017	**3,864,099**
Amortisation during the period	1,064,450
As at 31st March 2018	**4,928,549**
Net Block(As at 31 March 2017)	1,458,151
Net Block(As at 31 March 2018)	**393,701**
Capital Work in Progress(As at 31 March 2017)	8,951,176
Capital Work in Progress(As at 31 March 2018)	**7,056,997**

Kanpur Fertilizers & Cement Limited

Notes to the Financial Statements for the Period Ended 31st March, 2018

(Amount in ₹)

Particulars	As on 31st March 2018	As on 31st March 2017
NOTE No. "5"		
Other Financial Assets		
Bank Deposits With More Than 12 Months Maturity *	923,405	66,142,863
Security Deposit	595,330	580,325
Other Receivables	858,908	-
	2,377,643	66,723,188
NOTE No. "6"		
Other Non-Current Assets		
Prepaid Expenses	83,767	93,064
	83,767	93,064
NOTE No. "7"		
Inventories		
Raw Materials	38,085,285	66,365,669
Work in Progress	260,813,710	252,564,476
Finished Goods	993,067,856	494,819,019
Stock in Trade(Traded Products)	-	253,465
Stores & Spares	322,320,714	307,355,440
	1,614,287,565	1,121,358,069
NOTE No. "8"		
Trade Receivables		
Others (Unsecured, Considered Good)	7,838,514,707	8,580,364,845
	7,838,514,707	8,580,364,845
NOTE No. "9"		
Cash and Cash Equivalents		
Balance with Banks	39,848,247	36,063,334
Term Deposit Account with Maturity of Less Than Three Months *	178,476,345	137,906,448
Cash in Hand	902,818	817,890
	219,227,410	174,787,672
NOTE No. "10"		
Other Bank Balances		
Deposits with Maturity for Less Than 12 Months *	226,933,618	149,060,530
Security Deposit (withheld amount with bank)	1,234,765	-
	228,168,383	149,060,530
NOTE No. "11"		
Loans		
Unsecured, Considered Good		
Related Party	123,074,339	98,731,767
	123,074,339	98,731,767
NOTE No. "12"		
Other Financial Assets		
Accrued Interest Receivable	17,130,878	15,614,941
Other Receivables	3,146,835	19,040,624
Advance To Related Party	1,061,146,442	-
	1,081,424,155	34,655,565
NOTE No. "13"		
Other Current Assets		
Prepaid Expenses	62,842,231	68,877,560
Advances to Vendors	204,824,114	319,008,397
GST/VAT Receivable	137,094,681	9,078,013
Tax Deducted at Source	20,636,945	20,789,503
MAT Credit Entitlement	256,492,683	161,100,968
	681,890,654	578,854,441

*- Pledged as margin with banks against LC/BGs & DSRA

(Amount in ₹)

NOTE No. "14" Equity Share capital	As on 31st March 2018	As on 31st March 2017
Authorised Share Capital		
Equity Share Capital		
82,50,00,000 (Previous period 82,50,00,000) Shares of Rs. 10/- each	8,250,000,000	8,250,000,000
	8,250,000,000	8,250,000,000
Issued, subscribed and paid up capital		
Equity Share Capital		
2,310,82,225 (Previous period 2,005,82,225) Shares of Rs. 10/- each fully paid up	2,310,822,250	2,005,822,250
	2,310,822,250	2,005,822,250

Details of Shareholders Having More than 5% Shares	% of Shares	As on 31st March, 2018	As on 31st March 2017
Equity Shares			
Jaypee Uttar Bharat Vikas Private Limited	87.00%	200,050,000	200,050,000
Jaypee Development Corporation Limited	11.00%	25,000,000	-

Reconciliation of No. of Shares Outstanding	As on 31st March, 2018	As on 31st March 2017
Equity Share Capital		
Equity Shares Outstanding at the Beginning of the Year	200,582,225	200,582,225
Equity Shares Issued During the Year	30,500,000	-
Outstanding at the End of the Year	231,082,225	200,582,225

i) Equity Shares

During the year the company has issued 2,50,00,000 shares to Jaypee Development Corporation Limited and 55,00,000 shares to Jaypee Fertilizers & Industries Limited by conversion of Compulsarily Convertible Preference Shares (CCPS) as per terms of allotment of these CCPS. Each holder of Equity Share is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting. The Board of Directors has not proposed dividend for the current/previous years.

In the event of liquidation, each share carries equal rights and will be entitled to receive equal amount per share out of the remaining amount available with the company after making preferencial payments.

NOTE No. "15" Other Equity	As on 31st March 2018	As on 31st March 2017
(i)Equity Component of Financial Instrument		
Opening Balance	3,757,500,000	3,757,500,000
Addition during the Year	-	-
Less Conversion During the Year	610,000,000	-
Closing Balance	3,147,500,000	3,757,500,000
(ii)Reserves and Surplus		
(a) Surplus (Profit and Loss Balance)		
Opening Balance	144,237,767	(100,562,040)
Profit / (Loss) for the year	302,687,803	244,799,807
Closing Balance	446,925,570	144,237,767
(b) Security Premium Reserve		
Opening Balance	1,999,500,000	1,999,500,000
Addition during the Year	305,000,000	-
Closing Balance	2,304,500,000	1,999,500,000
Total Reserve & Surplus	2,751,425,570	2,143,737,767
iii) Other Comprehensive Income		
(a) Remeasurement of Defined benefit plan (Net of Tax)		
Opening Balance	20,311,153	16,989,733
Addition/Deduction during the Year	(2,555,091)	3,321,420
Closing Balance	17,756,062	20,311,153
Total Other Equity	5,916,681,632	5,921,548,920

On conversion of compulsorily convertible preference shares (CCPS) of Rs. 30,50,00,000/- held by Jaypee Development Corporation Limited and Jaypee Fertilizers & Industries Limited into Equity Share Capital of same value, the equivalent amount has been transferred to Security Premium Reserve Account, thus transferring Rs. 61,00,00,000/- from Equity Component of Financial Instrument.

(Amount in ₹)

Particulars	As on 31st March 2018	As on 31st March 2017
NOTE No. "16"		
Borrowings		
Secured		
Term Loans		
From Banks - ICICI Bank Limited (ERR - 14.34%), State Bank of India (ERR - 13.22%) & Yes Bank Ltd.	1,917,372,256	950,500,202
From Financial Institutions - India Infrastrucrure Finance Company Limited (ERR - 13.18%)	1,168,349,223	1,193,005,412
From NBFC - SREI Equipment Finance Limited	228,799,184	-
	3,314,520,663	2,143,505,614

The loan has been reinstated at fair value as per IND AS 32.

Security and Terms of repayment of secured loan from banks& financial instituions

i) SBI - The repayment has started in 40 structured quarterly installment from June 30, 2015. The rate of interest is SBI MCLR + 3 % . The amount outstanding as at 31.03.2018 is Rs.95,17,72,256/-(Previous Year-Rs.119,27,76,850/-).

ii) IIFCL - The repayment has started in 48 structured quarterly installment from June 30, 2015. The rate of interest is SBI MCLR rate + 3 % . The amount outstanding as at 31.03.2018 is Rs 119,39,49,223/- (Previous Year - 122,88,00,000/-).

The loans are secured by way of first ranking pari passu charge on all Fixed Assets (Immovable & movable; both present & future) of the Company & second ranking pari passu charge on Current Assets (Both present & future) of the Company. These loans are further secured by way of pledge of 30% equity shares of the Company as held by Jaypee Uttar Bharat Vikas Private Limited on pari passu basis & shortfall undertaking of Jaiprakash Associates Limited.

iii) YBL - The Loan from YBL is secured by way of first pari passu charge on all immovable and movable fixed assets (both present & future), extension of pledge over 30% share capital of the company as held by JUBVPL and NDU over 44% share capital of Bhilai Jaypee Cement Limited (as pari passu basis with other facilities of the bank). The charge, pledge and NDU are yet to be created. The rate of interest is floating 0.10% (zero point one zero percent) ("spread") over & above the Bank's one year MCLR. The loan is repayable in 57 equal installments starting from June,2019. The amount outstanding as at 31.03.2018 is Rs. 110,00,00,000/- (Previous Year - Nil).

iv) SREI - The loan from SREI is secured by way of subservient charge on current assets of the company. The rate of interest is 10% p.a. The repayment is in 34 equated installments starting from December, 2017.

v) ICICI Bank Ltd. - Nil. The loan has been repaid in full during the current financial year.

NOTE No. "17"		
Other Financial Liabilities		
Security and Other Deposits	118,039,161	124,507,604
	118,039,161	124,507,604
NOTE No. "18"		
Long Term Provisions		
Provision for Employee Benefit		
Gratuity	19,840,615	17,634,755
Leave Encashment	16,983,668	16,951,026
	36,824,283	34,585,781
NOTE No. "19"		
Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities on Account of		
Timing Difference in Fixed Assets	588,338,200	546,539,966
	588,338,200	546,539,966
Deferred Tax Assets on Account of		
Employee Benefit	15,857,868	15,120,556
Others	190,842,488	279,796,861
	206,700,356	294,917,417
	381,637,844	251,622,549

Kanpur Fertilizers & Cement Limited

Notes to the Financial Statements for the Period Ended 31st March, 2018

(Amount in ₹)

Particulars	As on 31st March 2018	As on 31st March 2017
NOTE No. "20"		
Borrowings		
From Banks (Secured)		
State Bank of India	3,793,811,601	3,959,795,111
ICICI Bank Ltd	545,778,170	484,952,310
Yes Bank Ltd (YBL)	249,148,456	-
	4,588,738,227	4,444,747,421

i) A consortium of Banks comprising State Bank of India and ICICI Bank has sanctioned working capital facilities of Rs.720,00,00,000/- (both Fund Based and Non Fund Based).

These working capital facilities are secured by way of pari passu first charge on current assets comprising of stocks, stores & spares , stock in progress, finished goods,material in transit and book debts (both present & future) & pari passu second charge on Fixed assets (movable & immovable, both present & future).

ii) Yes Bank Limited has sanctioned overdraft facility of Rs. 50,00,00,000/- (Rupees Fifty crores only). The facility is secured by way of subservient charge over current assets of the borrower , extension of pledge over 30% of share capital of Bhilai Jaypee Cement Limited held by JAL & NDU of 74% shares of Bhilai Jaypee Cement Limited (BJCL) to be provided by JAL.The charge, pledge and NDU are yet to be created.

NOTE No. "21"		
Trade Payables		
Others	3,857,590,699	3,125,090,340
	3,857,590,699	3,125,090,340
Details relating to Micro, Small and Medium Enterprises is as under -		
a) Principal amount	Nil	Nil
b) Interest thereon	Nil	Nil
c) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
d) The amount of interest due and payable for the period of delay in making payment without additing the interest specified	Nil	Nil
e) The amount of interest accrued and remaining unpaid as at March 31, 2018	Nil	Nil
f) The amount of interest remaining due and payable even in the suceeding years, until such date when the the interest is actually paid	Nil	Nil
NOTE No. "22"		
Other Financial Liabilities		
Current Maturities of Long-Term Debt (Secured, Considered Good)		
ICICI Bank Ltd	-	750,000,000
State Bank of India	134,400,000	235,200,000
India Infrastrucrure Finance Company Limited	25,600,000	25,600,000
SREI Equipment Finance Limited	134,671,114	-
Payable on Account of Employees	40,790,912	39,116,783
Security and Other Deposits	15,725,163	14,455,480
Amount Payable to Related Parties	2,060,000	734,157,015
Other Payable	403,022,728	1,166,269,032
	756,269,917	2,964,798,310
NOTE No. "23"		
Other Current Liabilities		
Statutory Taxes and Dues	30,925,239	50,509,240
Advance Received from Customers	91,897,647	22,084,188
	122,822,886	72,593,428

(Amount in ₹)

Particulars	As on 31st March 2018	As on 31st March 2017
NOTE No. "24"		
Provisions		
Gratuity	5,908,422	5,329,791
Leave Encashment	5,234,229	5,821,136
	11,142,651	11,150,927
NOTE No. "25"		
Current Tax Liability		
Provision for Income Tax	93,738,570	76,868,860
	93,738,570	76,868,860

Kanpur Fertilizers & Cement Limited

Notes to the Financial Statements for the Period Ended 31st March, 2018

(Amount in ₹)

Particulars	2017-18	2016-17
NOTE No. "26"		
Revenue from Operation		
Sale of Products		
Urea Sale	4,012,239,163	3,944,553,580
Govt Subsidy- Urea	16,914,241,253	16,776,159,968
Sale-Flyash	4,524,363	3,495,238
	20,931,004,779	20,724,208,786
Other operating revenue		
Sale -Traded Product	758,222,554	793,086,257
Govt Subsidy- DAP	344,506,518	339,017,568
	1,102,729,072	1,132,103,825
Less : Discount	31,029,329	4,568,503
	22,002,704,522	21,851,744,108
NOTE No. "27"		
Other Income		
Interest Income (Including Fair Value of Financial Liability at Amortised Cost)	81,690,581	29,572,180
Insurance Claim Received	-	177,183
Foreign Exchange Gain (Net)	13,288,028	-
Misc Receipts	9,250,233	1,578,469
	104,228,842	31,327,832
NOTE No. "28"		
Cost of material Consumed		
Raw Materials Consumed	11,928,341,733	10,208,596,618
Electricity Charges	4,636,354,386	4,728,449,043
Coal Consumed	416,663,558	379,176,061
Water charges	11,944,937	12,774,941
Bags Consumed	225,273,439	264,187,516
Store and Spares Consumed	226,841,623	466,735,470
Freight & Material Handling	12,840,615	23,738,470
Repairs & Maintenance - Plant	202,028,818	349,205,951
Testing and Analysis Fees	3,176,560	3,351,031
Naphtha Consumed	-	105,531,795
	17,663,465,669	16,541,746,896
NOTE No. "29"		
Purchases of Stock-in-Trade		
Imported DAP	882,951,364	903,583,776
Wheat seed	84,895,147	117,885,290
Calcium Nitrate	4,599,860	-
Zyme	17,882,700	9,134,700
Micro Nutrient	13,813,685	1,646,302
Sulphur	7,830,563	9,227,381
Zink Sulphate	12,047,914	16,005,318
Single Super Phosphate	369,862	6,652,419
Others	2,338,463	2,568,562
	1,026,729,558	1,066,703,748
NOTE No. "30"		
Changes in Inventories of Finished Goods Work-in-Progress		
Opening Stock		
Work-in-Progress	252,564,476	523,319,704
Finished Goods	494,819,019	554,139,972
	747,383,495	1,077,459,676
Closing Stock		
Work-in-Progress	260,813,710	252,564,476
Finished Goods	993,067,856	494,819,019
	1,253,881,566	747,383,495
	(506,498,071)	330,076,181

(Amount in ₹)

Particulars	2017-18	2016-17
NOTE No. "31"		
Employee Benefit Expense		
Salaries and Wages	442,354,694	387,341,611
Contribution to Provident and Other Funds	20,733,708	17,701,373
Gratuity	5,107,460	2,238,018
Staff Welfare	16,175,107	16,896,996
	484,370,969	424,177,998
NOTE No. "32"		
Finance Cost		
Interest to Banks on Working Capital	505,376,495	557,760,894
Interest to Banks on Term Loan	443,403,210	540,760,405
Interest to Others	110,317,029	157,317,724
Financial Charges	15,337,347	19,935,356
	1,074,434,081	1,275,774,379
NOTE No. "33"		
Depreciation and Amortization expense		
Depreciation on Tangible Assets	738,354,028	730,933,899
Amortization of Intangible Assets	1,064,450	1,064,450
	739,418,478	731,998,349
NOTE No. "34"		
Other expenses		
Repairs & Maintenance - Others	76,737,419	68,701,825
Insurance	17,270,680	21,734,197
Rates & Taxes	13,732,355	6,326,910
Loading & Unloading Charges	122,955,676	143,416,454
Rent of Godown	14,993,025	5,269,992
Travelling & Conveyance Expenses	39,710,606	26,756,228
Postage, Telephone & Internet	4,102,984	4,949,175
Corporate Social Responsibility	6,837,678	2,641,156
Foreign Exchange Loss	-	6,849,234
Vehicle Running & Hiring Charges	19,485,609	18,959,574
Freight & Octroi Expenses	691,235,835	667,722,768
Advertising and Sales Promotion	13,743,902	24,945,411
Printing & Stationery	647,826	415,453
Legal & Professional	84,835,503	50,937,060
Bank Charges & LC/BG Commission	26,107,943	20,817,250
Safety & Security	36,034,871	31,754,303
Recruitment Charges	863,866	793,265
Horticulture and Gardening	8,535,687	4,304,077
Auditors Remuneration	700,000	517,500
Loss on Retirement of Fixed Assets	-	1,371,719
Miscellaneous Expenses	3,798,368	5,728,323
	1,182,329,833	1,114,911,874

1. Contingent Liability and Commitments not provided for in respect of

Amount in ₹

Particulars	2017-18	2016-17
a) Claims against the Disputed Liability (Including Tax) not acknowledged as Debt (TDS demand for the AY 12-13 on Bank Guarantee Commission is disputed and appeal has been filed with Commissioner Appeals against the order of DCIT - TDS. Regular assessments of AY 12-13 appeal with ITAT and AY 13-14 in appeal with CIT (Appeals)).	32,07,20,851	4,71,30,480
b) Outstanding Balances of Bank Guarantees	6,46,81,509	46,49,42,274
Margin Money deposited against the above	6,76,05,195	10,78,65,960
c) Outstanding Letters of Credit (including Foreign LCs)	80,11,35,585	80,00,00,000
Margin Money deposited against the above	8,28,12,251	8,06,50,399
d) Capital Commitments: Estimated amount of Contract remaining to be executed on Capital Account and not provided for (net of Advances)	106,11,46,442	15,77,08,060

2. Related Party Disclosure

Name of Related Party and Relationship

a) <u>Holding Company</u>

Jaypee Uttar Bharat Vikas Private Limited, Jaypee Fertilizers & Industries Limited & Jaiprakash Associates Limited

b) <u>Fellow Subsidiary Companies</u>

1. Jaypee Infratech Limited (JIL)
2. Bhilai Jaypee Cement Limited
3. Himalyan Expressway Limited
4. Gujarat Jaypee Cement & Infrastructure Limited
5. Jaypee Ganga Infrastructure Corporation Limited
6. Jaypee Agra Vikas Limited
7. Jaypee Cement Corporation Limited
8. Himalyaputra Aviation Limited
9. Jaypee Assam Cement Limited
10. Jaypee Infrastructure Development Limited
11. Jaypee Healthcare Limited
12. Jaypee Cement Hockey (India) Limited
13. Jaiprakash Agri Initiatives Company Limited
14. Yamuna Expressway Tolling Limited

c) <u>Associate Companies</u>:

1. Jaiprakash Power Ventures Limited (JPVL)
2. Jaypee Powergrid Limited (JV subsidiary of JPVL)
3. Jaypee Arunachal Power Limited (wholly owned subsidiary of JPVL))
4. Sangam Power Generation Company Limited (wholly owned subsidiary of JPVL)
5. Jaypee Meghalaya Power Limited (wholly owned subsidiary of JPVL)
6. Bina Power Supply Limited (wholly owned subsidiary of JPVL)
7. MP Jaypee Coal Limited (JV Associate Co.)
8. MP Jaypee Coal Fields Limited (JV Associate Co.)
9. Madhya Pradesh Jaypee Minerals Limited (JV Associate Co.)
10. Jaypee Infra Ventures (A Private Company With Unlimited Liability) (JIV)
11. Jaypee Development Corporation Limited (JDCL) (wholly owned subsidiary of JIV)
12. Andhra Cements Limited (subsidiary of JDCL)
13. JIL Information Technology Limited (JILIT) (Subsidiary of JIV)
14. Gaur & Nagi Limited (wholly owned subsidiary of JILIT)
15. Jaypee International Logistics Company Private Limited (wholly owned subsidiary of JIV)
16. Tiger Hills Holiday Resort Private Limited (wholly owned subsidiary of JDCL)
17. Anvi Hotels Private Limited (subsidiary of JIV) (dissolved w.e.f. 16.07.16)
18. Indesign Enterprises Private Limited (IEPL) (subsidiary of JIV)
19. Ibonshourne Limited (subsidiary of IEPL w.e.f. 11.01.16)
20. RPJ Minerals Private Limited (RPJMPL)
21. Sarveshwari Stone Products Private Limited (wholly-owned subsidiary of RPJMPL)
22. Rock Solid Cement Limited (wholly-owned subsidiary of RPJMPL)
23. Sonebhadra Minerals Private Limited

d) <u>KMP based Associate Companies</u>

1. Jaiprakash Kashmir Energy Limited (KMP based Associate Co.) (controlled by Shri Manoj Gaur and his relatives)

   [JAL holds 14.29% shares, Shri Manoj Gaur & his relatives hold 57.14% shares] [This company is in the process of striking off of name by ROC]
2. Ceekay Estates Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)
3. Jaiprakash Exports Private Limited (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur/ Shri Sunny Gaur)
4. Bhumi Estate Developers Private Limited (KMP based Associate Co.) (Jointly controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur and also by relative of Shri Rahul Kumar)
5. Jaypee Jan Sewa Sansthan ('Not For Profit' Private Limited Company) (KMP based Associate Co.) (controlled by relatives of Shri Manoj Gaur/ Shri Sunny Gaur)
6. Think Different Enterprises Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur)
7. JC World Hospitality Private Limited (KMP based Associate Co.) (controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)

8. JC Wealth & Investments Private Limited (KMP based Associate Co.) (Jointly controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)
9. CK World Hospitality Private Limited (KMP based Associate Co.) (Jointly controlled by relative of Shri Manoj Gaur/ Shri Sunny Gaur)
10. First Light Estates Private Limited (Mrs. Rekha Dixit ji holds 55% shares in this company)

e) **Key Managerial Personnel**

1. Shri Manoj Gaur – Non Executive Chairman
2. Shri A.K. Jain – Vice Chairman & CEO
3. Shri Sunny Gaur – Non Executive Director
4. Ms. Sunita Joshi – Non Executive Director
5. Shri Sunil Joshi – Non Executive Director
6. Shri S.D.M. Nagpal – Non Executive Director
7. Shri S.C.K. Patne- – Non Executive Director
8. Shri K.C. Ganjwal – Non Executive Director
9. Shri R.K. Pandey – Non Executive Director
10. Shri S.D. Nailwal – Non Executive Director
11. Shri Gaurav Jain – Whole-time Director
12. Shri Sudhir Rana – Chief Financial Officer
13. Smt. Suman Lata – Company Secretary

The Related Party Transactions are as follows:

Amount in ₹

Particulars	Related party	2017-18	2016-17
Expenditure			
Salary	Referred in (e) above	1,81,23,939	88,68,129
Car Hire Charges	Referred in (e) above	6,60,000	5,40,000
Reimbursement Towards Expenses	Referred in (a) above	2,68,28,900	299,82,541
Purchase of Goods & Services Received	Referred in (a & b) above	234,12,46,135	176,32,41,851
Outstanding Balances		**As at March 31, 2018**	**As at March 31, 2017**
Receivable	Referred in (a) above	110,11,64,389	987,31,767
Payable	Referred in (b) above	20,60,000	73,41,57,015

3. Financial Instrument

(i) Capital Management

The gearing ratios at the end of reporting year are as under:

Amount in ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Debt*	819,79,30,004	759,90,53,035
Cash and Bank Balances (including cash and bank balances in a disposal group held for sale)	44,73,95,793	32,38,48,202
Net Debt	**775,05,34,211**	**727,52,04,833**
Total Debt + Equity	1597,80,38,093	1520,25,76,003
Net Debt to Equity Ratio	48.51%	47.86%

*Debt is defined as long-term and short-term borrowings.

(ii) Categories of Financial Instruments

Amount in ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Financial Assets measured at Amortised Cost a) Cash and Cash Equivalent including Bank Balances	44,73,95,793	32,38,48,202
b) Loan	12,30,74,339	9,87,31,767
c) Other Financial Assets	108,38,01,798	10,13,78,753
d) Trade Receivable	783,85,14,707	858,03,64,845
Total	**949,27,86,637**	**910,43,23,567**

Amount in ₹

Particulars	As at March 31, 2018	As at March 31, 2017
Financial Liabilities measured at Amortised Cost a) Long Term Borrowing	331,45,20,663	214,35,05,614
b) Short Term Borrowing	458,87,38,227	444,47,47,421
b) Trade Payable	385,75,90,699	312,50,90,340
c) Other Financial Liability	87,43,09,078	308,93,05,914
Total	**1263,51,58,667**	**1280,26,49,289**

(iii) Fair Value Measurement

Amount in ₹

Particulars	Fair Value on ERR of 13% as at		Fair Value Hierarchy	Valuation Technique(s) and Key Input(s)
	March 31, 2018	March 31, 2017		
Financial Assets				
Security Deposit	5,95,330	5,80,325	Level 2	
Financial Liabilities				
Borrowing	331,45,20,663	214,35,05,614	Level 2	
Security Deposit	11,80,39,161	12,45,07,604	Level 2	

(iv) Financial Risk Management

(a) Interest Rate Risk Management

The company is exposed to interest rate risk because company borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest Rate Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Amount in ₹

Particulars	Interest Impact as at	
	March 31, 2018	March 31, 2017
If Increase by 50 Basis Point		
Impact on Profit or Loss for the year	(166,50,088)	(108,03,884)
Impact on Total Equity as at the end of the reporting period	(166,50,088)	(108,03,884)
If Decrease by 50 Basis Point		
Impact on Profit or Loss for the year	166,50,088	108,03,884
Impact on Total Equity as at the end of the reporting period	166,50,088	108,03,884

(b) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and Interest Risk Tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

Amount in ₹

Particulars	Weighted Average Effective Interest Rate (%)	Within 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
As at March 31, 2018						
Borrowing	13	488,34,09,341	234,28,64,091	98,72,00,000	821,34,73,432	819,79,30,004
Trade Payables	13	385,75,90,699			385,75,90,699	385,75,90,699
Other Financial Liabilities	13	46,15,98,803		24,18,50,206	70,34,49,009	57,96,37,964
Total		**920,25,98,843**	**234,28,64,091**	**122,90,50,206**	**1277,45,13,140**	**1263,51,58,667**
As at March 31, 2017						
Borrowings	13	545,55,47,421	88,56,00,000	127,52,00,000	761,63,47,421	759,90,53,035
Trade Payables	13	312,50,90,340			312,50,90,340	312,50,90,340
Other Financial Liabilities	13	195,39,98,310		22,96,05,481	218,36,03,791	207,85,05,914
Total		**1053,46,36,071**	**88,56,00,000**	**150,48,05,481**	**1292,50,41,552**	**1280,26,49,289**

(v) The fair values of current debtors, bank balances, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

Amount in ₹

Particulars	Carrying Value as at	
	March 31, 2018	March 31, 2017
i) Financial Assets - Current		
Trade Receivables	783,85,14,707	858,03,64,845
Cash and Cash Equivalents	21,92,27,410	17,47,87,672
Bank Balances	22,81,68,383	14,90,60,530
Loans	12,30,74,339	9,87,31,767
Other Financial Assets	108,14,24,155	3,46,55,565
ii) Financial Liabilities - Current		
Borrowings	458,87,38,227	444,47,47,421
Trade Payables	385,75,90,699	312,50,90,340
Other Financial Liabilities	75,62,69,917	296,47,98,310

(vi) The following list represents more than 5% of total balance of trade receivable:

Amount in ₹

S.No	Particulars	As at March 31, 2018	As at March 31, 2017
1	FICC, GoI	692,44,80,552	796,79,84,583

Amount in ₹

Age of Receivables	As at March 31, 2018	As at March 31, 2017
0-30 days	170,87,10,376	190,08,86,392
31-60 days	370,21,77,226	221,50,60,425
61-75 days	43,88,401	75,14,14,880
76-180 days	116,00,45,827	150,75,51,610
181 days & above	126,31,92,877	220,54,51,538

(vii) Deposits Liened With -

Amount in ₹

S.No.	TDR No.	Date of Deposit	Amount Rs.	Authorities, Pledged With
1	37232660663	12-10-2017	1,50,00,000	State Bank of India towards GAIL)
2	37025292515	18-07-2017	7,25,00,000	State Bank of India towards DAP
3	37024509915	18-07-2017	1,00,00,000	State Bank of India towards GAIL)
4	37043505395	27-07-2017	75,00,000	State Bank of India towards DAP
5	32944346915	16-04-2016	7,64,90,273	State Bank of India towards DSRA
6	36323846542	17-03-2017	4,83,138	State Bank of India towards DSRA
7	32999387721	15-02-2017	8,85,853	State Bank of India against Railways Bank Guarantee for online freight payment.
8	33761290416	31-03-2017	5,78,12,521	State Bank of India (e State Bank of Patiala) against SBLC to GAIL (India) Ltd.
9	34171397532	09-09-2016	5,34,19,030	State Bank of India towards DSRA
10	34898624286	28-04-2016	1,14,36,551	State Bank of India towards DSRA
11	36279409101	01-12-2016	2,77,362	State Bank of India against Bank Guarantee to U.P.VAT
12	35817636993	06-06-2016	3,18,69,176	State Bank of India towards DSRA
13	36448895508	13-01-2017	88,31,509	State Bank of India against BG in favour of President Officer, Labour Court
14	714997318	01-04-2016	8,91,208	ICICI Bank Ltd. against Bank Guarantee to Sales Tax Authorities
15	714358239	01-04-2016	1,28,314	ICICI Bank Ltd. against Bank Guarantee to Punjab VAT
16	714425042	23-04-2016	5,71,83,040	ICICI bank Ltd. against BG to KESKO
17	32250645718	22-03-2012	32,199	State Bank of India against BG to Haryana VAT
18	32844977524	26-02-2013	3,49,542	State Bank of India UP Power Corporation Limited
19	34213211634	16-09-2014	12,43,654	State Bank of India UP Power Corporation Limited
	Total		**40,63,33,370**	

4. Previous year figures have been regrouped/ reclassified wherever found necessary to make them confirm to the current year classification.
5. All figures have been rounded off to the nearest rupee.

Summary of Significant Accounting Policies &
Notes to the Financial Statements "1" to "35"
As per our report of even date attached to the Balance Sheet

For Ravi Rajan & Co.
Chartered Accountants
Registration No. 009073N

(Ravi Kumar)
Partner
M. No. 508424

For and on behalf of the Board

(Manoj Gaur)
Chairman
DIN: 00008480

Place: New Delhi
Dated : 05.05.2018

(Suman Lata)
Company Secretary
FCS-4394

(Sudhir Rana)
Chief Financial Officer

(A.K. JAIN)
Vice Chairman & CEO
DIN: 01731920