INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JAMSHEDPUR UTILITIES & SERVICES COMPANY LIMITED

Report on the audit of the Indian Accounting Standards (Ind AS) Financial Statements

Opinion

1. We have audited the accompanying financial statements of Jamshedpur Utilities & Service Company Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 (E) to the financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts.-Refer Note 15(a) to the financial statements. The company did not have any derivative contracts as at March 31, 2019.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Avijit Mukerji
Partner
Membership Number : 056155

Place : Kolkata
Date : April 10, 2019

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Balance Sheet as at March 31, 2019

	Note No.	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
(I) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Property, Plant and Equipment	02	16,446	15,450
(ii) Capital work-in-progress	02	2,854	1,427
(iii) Intangible assets	03	463	499
(b) Equity accounted investments	04	1,368	1,368
(c) Investments in subsidiaries	05	400	15
(d) Financial assets			
(i) Other financial assets	06	349	74
(e) Other non-financial assets	07	845	3,512
(f) Non current income tax assets		2,574	2,789
(g) Deferred tax assets (Net)	26(I)	3,172	2,499
		28,471	**27,633**
(2) Current assets			
(a) Inventories	08	7,809	7,778
(b) Financial assets			
(i) Current investments	09	-	2,548
(ii) Trade receivables	10	30,079	19,521
(iii) Cash and Cash Equivalents	11	732	859
(iv) Other balance with Bank	11	2,752	613
(iv) Other financial assets	06	11,645	9,343
(c) Other non-financial assets	07	5,534	4,572
		58,551	**45,234**
TOTAL ASSETS		**87,022**	**72,867**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	12	2,435	2,035
(b) Other Equity			
(i) Reserves and Surplus		11,299	6,860
		13,734	**8,895**
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Trade payables	19	44	-
(ii) Other financial liabilities	14	7,190	6,309
(b) Long term provisions	15	4,611	4,747
(c) Retirement benefit obligations	16	542	806
(d) Deferred income	17	7,121	6,648
		19,508	**18,510**
(3) Current liabilities			
(a) Financial liabilities			
(i) Short term borrowings	13	12	750
(ii) Trade payables	19		
(a) Total outstanding due of micro and small enterprises		360	91
(b) Total outstanding due other than (ii)(a) above		32,594	26,090
(iii) Other financial liabilities	14	4,560	4,259
(b) Short term provisions	15	2,376	1,773
(c) Retirement benefit obligations	16	9	6
(d) Deferred income	17	656	578
(e) Other non-financial liabilities	18	12,785	11,915
(f) Income tax liabilities		428	-
		53,780	**45,462**
TOTAL EQUITY AND LIABILITIES		**87,022**	**72,867**

The notes referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration no - FRN304026E/E300009
Chartered Accounts

For and on behalf of the Board of Directors

Chanakya Chaudhary
Chairman
DIN: 02139568

Indrajit Roy
Chief Financial Officer

Avijit Mukerji
Partner
Membership No - 056155

Tarun Kumar Daga
Managing Director
DIN: 01686499

Preeti Sehgal
Company Secretary

Place : Kolkata
Date : April 10, 2019

Place : Kolkata
Date : April 10, 2019

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED

Statement of Profit and Loss for the year ended March 31, 2019

		Note No.	For the year ended March 31, 2019 ₹ in Lakhs	For the year ended March 31, 2018 ₹ in Lakhs
I	Revenue from operations	20	1,11,413	91,537
II	Other Income	21	1,492	1,185
III	**Total Revenue (I + II)**		**1,12,905**	**92,722**
IV	Expenses			
	(a) Direct Expenses	22	83,832	67,493
	(a) Employee benefits expense	23	16,345	14,545
	(b) Finance costs	24	667	1,042
	(c) Depreciation and amortisation expense	02	1,706	1,545
	(d) Other expenses	25	4,459	2,595
	Total Expenses		**1,07,009**	**87,220**
V	**Profit before exceptional items and taxes (III - IV)**		**5,896**	**5,502**
VI	**Exceptional Items**			
	(a) Provision for Employee Seperation Scheme	26(K)	-	1,809
VI	**Profit before taxes (V - VI)**		**5,896**	**3,693**
VI	Tax Expense			
	(a) Current tax			
	- In respect of Current Year		2,109	1,670
	- In respect of Prior Year		(36)	(13)
	(b) Deferred tax		(673)	(559)
	Total tax expense		**1,400**	**1,098**
VII	**Profit after taxes (V - VI)**		**4,496**	**2,595**
VIII	Other comprehensive income			
	(i) Items that will not be reclassified subsequently to the statement of profit and loss			
	(a) Remeasurement gains/(losses) on post employment defined benefit plans.		101	(136)
	(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss.		(35)	47
	Total Other comprehensive (loss)/Income		**66**	**(89)**
IX	**Total comprehensive income for the year (VII + VIII)**		**4,562**	**2,506**
	Basic and Diluted Earnings per Share (Refer note 26(G))		18.91	12.75

The notes referred to above form an integral part of the Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration no - FRN304026E/E300009
Chartered Accounts

For and on behalf of the Board of Directors

Chanakya Chaudhary
Chairman
DIN: 02139568

Indrajit Roy
Chief Financial Officer

Avijit Mukerji
Partner
Membership No - 056155

Tarun Kumar Daga
Managing Director
DIN: 01686499

Preeti Sehgal
Company Secretary

Place : Kolkata
Date : April 10, 2019

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Date : April 10, 2019

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED

Statememt Of Changes In Equity for the year ended March 31, 2019

A. Equity Share Capital (Issued and subsrcibed)	**₹ in Lakhs**
Balance as at March 31, 2017	2,035
Changes in equity share capital during the year	-
Balance as at March 31, 2018	2,035
Changes in equity share capital during the year	400
Balance as at March 31, 2019	**2,435**

₹ in Lakhs

B. Other Equity	**Retained Earnings**	**OCI (Other Comprehensive Income)**	**Total**
Balance as at March 31, 2017	**5,132**	**(778)**	**4,354**
Profit for the year	2,595	-	2,595
Other Comprehensive Income for the year	-	(89)	(89)
Balance as at March 31, 2018	**7,727**	**(867)**	**6,860**
Profit for the year	4,496	-	4,496
Other Comprehensive Income for the year	-	66	66
Dividend paid during the period	(102)	-	(102)
Tax on Dividend paid	(21)	-	(21)
Balance as at March 31, 2019	**12,100**	**(801)**	**11,299**

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration no - FRN304026E/E300009
Chartered Accounts

For and on behalf of the Board of Directors

Chanakya Chaudhary
Chairman
DIN: 02139568

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Preeti Sehgal
Company Secretary

Place : Kolkata
Date : April 10, 2019

Place : Kolkata
Date : April 10, 2019

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED

Cash Flow Statement for the year ended 31st March, 2019

	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
A. Cash Flow from Operating activities:		
Profit before taxes	5,896	3,693
Adjustments for:		
Depreciation and amortisation	1,706	1,545
Finance costs charged to profit and loss account	667	1,042
Provision for inventory	380	156
Finance Income	(45)	(44)
Provision for Employee Seperation Scheme	-	1,809
Other non cash items	764	660
Operating profit before changes in current/non current assets and liabilities	**9,368**	**8,861**
Adjustments for:		
Non current/ current financial and other assets	(11,898)	(3,786)
Retirement benefit assets/obligations	(160)	80
Inventories	(410)	(6,281)
Non current/ current financial and other liabilities/provisions	10,459	7,635
Deferred income	552	746
Cash generated from operations	**7,911**	**7,255**
Income taxes paid (excluding dividend tax)	(1,465)	(1,740)
Net cash from/(used in) operating activities	**6,446**	**5,515**
B. Cash Flow from Investing activities:		
Purchase of capital assets	(4,078)	(2,889)
Sale of capital assets	73	-
Sale/(Purchase) of current investments	2,548	(387)
Purchase of investments in subsidiaries	(385)	(15)
Fixed deposits with banks (placed) / realised	(2,414)	(37)
Interest received from external investments / agencies	45	44
Net cash from/(used in) investing activities	**(4,211)**	**(3,284)**
C. Cash Flow from Financing activities:		
Issue of Equity shares	400	-
Repayment of borrowings from external agencies (Bank etc.)	(738)	(421)
Repayment of long term borrowings from external agencies (Bank etc.)	(600)	(800)
Interest paid to external agencies (Bank etc.)	(1,301)	(941)
Divident paid	(102)	-
Tax on dividend paid	(21)	-
Net cash from/(used in) financing activities	**(2,362)**	**(2,162)**
Net increase or decrease in cash or cash equivalents	**(127)**	**69**
Cash & cash equivalents As at the beginning of the year	**859**	**790**
Cash & cash equivalents As at the end of the year	**732**	**859**
Cash and cash equivalents:		
Cash in hand	3	5
Balance in current account	729	854
	732	**859**

Notes :
1. Figures in brackets indicate outflows
2. Previous year figures have been recast/restated where necessary.

This is the Cash flow Statement referred to in our report of even date.

For Price Waterhouse & Co. Chartered Accountants LLP
Firm Registration no - FRN304026E/E300009
Chartered Accounts

For and on behalf of the Board of Directors

Chanakya Chaudhary
Chairman
DIN: 02139568

Indrajit Roy
Chief Financial Officer

Avijit Mukerji
Partner
Membership No - 056155

Tarun Kumar Daga
Managing Director
DIN: 01686499

Preeti Sehgal
Company Secretary

Place : Kolkata
Date : April 10, 2019

Place : Kolkata
Date : April 10, 2019

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Notes Forming Part of Financial Statements

02 - Property, Plant and Equipments

₹ in Lakhs

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and fixtures	Office Equipments	Vehicles	Total Tangible Assets	Capital work in progress (CWIP)	Total tangible assets including CWIP
Cost as at April 01, 2018	16	403	18,840	153	90	20	19,522	1,427	20,949
Additions	67	-	2,544	51	16	25	2,703	4,130	6,833
Disposals	-	-	(86)	-	-	-	(86)	-	(86)
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	(2,703)	(2,703)
Cost as at March 31, 2019	**83**	**403**	**21,298**	**204**	**106**	**45**	**22,139**	**2,854**	**24,993**
Accumulated depreciation as at April 01, 2018	-	36	3,935	44	44	13	4,072	-	4,072
Charge for the year	-	12	1,580	24	14	4	1,634	-	1,634
Disposals	-	-	(13)	-	-	-	(13)	-	(13)
Accumulated depreciation as at March 31, 2019	**-**	**48**	**5,502**	**68**	**58**	**17**	**5,693**	**-**	**5,693**
Net Block as at March 31, 2019	**83**	**355**	**15,796**	**136**	**48**	**28**	**16,446**	**2,854**	**19,300**
Cost as at April 01, 2017	16	403	16,446	124	81	20	17,090	1,009	18,099
Additions	-	-	2,394	29	9	-	2,432	2,856	5,288
Disposals	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	(2,438)	(2,438)
Cost as at March 31, 2018	**16**	**403**	**18,840**	**153**	**90**	**20**	**19,522**	**1,427**	**20,949**
Accumulated depreciation as at April 01, 2017	-	24	2,507	28	30	9	2,598	-	2,598
Charge for the year	-	12	1,428	16	14	4	1,474	-	1,474
Disposals	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2018	**-**	**36**	**3,935**	**44**	**44**	**13**	**4,072**	**-**	**4,072**
Net Block as at March 31, 2018	**16**	**367**	**14,905**	**109**	**46**	**7**	**15,450**	**1,427**	**16,877**

Notes:

(a) As at March 31, 2018 there was an exclusive first charge on fixed Assets with a carrying amount ₹ 600 Lakhs created out of bank finance which was pledged against secured term loan. The company was not allowed to pledge these assets as security for other borrowings or to sell them to another entity. During the financial year the loan was repaid and charge released by banks.

(b) Estimated amount of contract remaining to be executed on capital account and not provided for: ₹ 148 Lakhs (as at March 31, 2018: ₹ 56 Lakhs).

(c) Depreciation and amortisation for the year:

	Year Ended March 31, 2019 (₹ in Lakhs)	Year Ended March 31, 2018 (₹ in Lakhs)
Depreciation	1,634	1,474
Amortisation (Refer note - 03)	72	71
	1,706	**1,545**

JAMSHEDPUR UTILITIES & SERVICES CO LTD
Notes Forming Part of Financial Statement

03 - Intangible Assets

₹ in Lakhs

Particulars	Software Costs	Development of property	Other Intangible Assets	Total Intangible Assets	Intangible assets under development	Total including intangible assets under development
Cost as at April 01, 2018	64	555	52	671	-	671
Additions	12	24	-	36	36	72
Disposals	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	(36)	(36)
Cost as at March 31, 2019	**76**	**579**	**52**	**707**	**-**	**707**
Accumulated depreciation as at April 01, 2018	35	112	25	172	-	172
Charge for the year	10	56	6	72	-	72
Accumulated depreciation as at March 31, 2019	**45**	**168**	**31**	**244**	**-**	**244**
Net Block as at March 31, 2019	**31**	**411**	**21**	**463**	**-**	**463**
Cost as at April 01, 2017	60	553	52	665	-	665
Additions	4	2	-	6	3	9
Disposals	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	(3)	(3)
Cost as at March 31, 2018	**64**	**555**	**52**	**671**	**-**	**671**
Accumulated depreciation as at April 01, 2017	26	57	18	101	-	101
Charge for the year	9	55	6	71	-	71
Accumulated depreciation as at March 31, 2018	**35**	**112**	**25**	**172**	**-**	**172**
Net Block as at March 31, 2018	**29**	**443**	**27**	**499**	**-**	**499**

Notes:
(a) During the current year, company received a government grant of ₹ 97 Lakhs (March 31, 2018: ₹ 175 Lakhs) from Mysore city corporation for the Mysore Land fill project. The carrying amount of grant received as at March 31, 2019 is ₹ 374 Lakhs (as at March 31, 2018: ₹ 321 Lakhs).

(b) Development of property includes Mysore landfill project. The project was at Build, Operate and Transfer (BOT) basis under the Public Private Partnership (PPP) Model for a period of 28.8 years. Out of which landfill operation period is 13.8 years and post closure period is 15 years. Carrying amount of Mysore landfill project as at March 31, 2019 is ₹ 411 Lakhs (as at March 31, 2018: ₹ 443 Lakhs). The remaining useful life of the intangible asset is 6 years and 11 months.

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Notes Forming Part of Financial Statement

04 - Equity accounted investments

Particulars	As at March 31, 2019		As at March 31, 2018	
	Nos	₹ in Lakhs	Nos	₹ in Lakhs
Unquoted Investments (Face of Rs 10 each fully paid up)				
SEZ Adityapur Limited	25,497	3	25,497	3
Naba Diganta Water Management Limited	1,36,53,000	1,365	1,36,53,000	1,365
Total Equity accounted investments	**1,36,78,497**	**1,368**	**1,36,78,497**	**1,368**

Notes:
(a) Details of Entities material joint venture at the end of the reporting year is as follows:

Name of the joint venture	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting right held by the entity.	
			As at March 31, 2019	As at March 31, 2018
Naba Diganta Water Management Limited	BOT projects and PPP Model comprising of integrated water supply system and sewerage system.	West Bengal, India	74%	74%
SEZ Adityapur Limited	Develop the Special Economic Zone (SEZ) at Adityapur, Jamshedpur.	Jharkhand, India	51%	51%

05 - Investments in subsidiaries

Unquoted Investment in subsidiary company	As at March 31, 2019 (₹ in Lakhs)	As at March 31, 2018 (₹ in Lakhs)
Cost at beginning of year	1,681	1,666
Movement during the year	385	15
Cost at end of year	2,066	1,681
Provision at beginning of year	1,666	1,666
Movement during the year	-	-
Provision at end of year	1,666	1,666
Carrying value at end of year	**400**	**15**

Name of the subsidiary	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting right held by the entity.	
			As at March 31, 2019	As at March 31, 2018
Haldia Water Management Limited 1,66,64,210 Equity shares of Rs. 10 each [March 31, 2018: 1,66,64,210 Equity shares of Rs. 10 each]	BOT projects and O&M of the water treatment facilities in Haldia region.	West Bengal, India	60%	60%
Kalimati Global Shared Services Limited 40,00,006 Equity shares of Rs. 10 each [March 31, 2018: 1,50,006 Equity shares of Rs. 10 each].During the year investment made for 38,50,000 shares of Rs.10 each.	Business of providing outsourcing/ consultancy services	West Bengal, India	100%	100%

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Notes Forming Part of Financial Statement

06 - Other financial Assets

Particulars	As at March 31, 2019 (₹ in Lakhs)			As at March 31, 2018 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Contract assets	-	11,395	11,395	-	9,093	9,093
(b) Security deposits	-	250	250	-	250	250
(c) Loans and advances to group companies	-	4,996	4,996	-	2,028	2,028
(d) Earmarked Non-current Cash and bank balances*	349	-	349	74	-	74
Gross other financial assets	**349**	**16,641**	**16,990**	**74**	**11,371**	**11,445**
Less: Provision for bad & doubtful other financial assets						
(a) Contract assets	-	-	-	-	-	-
(b) Security deposits	-	-	-	-	-	-
(c) Loans and advances to group companies	-	4,996	4,996	-	2,028	2,028
(d) Earmarked Non-current Cash and bank balances	-	-	-	-	-	-
Total provision for bad & doubtful other financial assets	**-**	**4,996**	**4,996**	**-**	**2,028**	**2,028**
Net other financial assets	**349**	**11,645**	**11,994**	**74**	**9,343**	**9,417**
Classification of other financial assets						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	349	11,645	11,994	74	9,343	9,417
Doubtful	-	4,996	4,996	-	2,028	2,028
Gross other financial assets	**349**	**16,641**	**16,990**	**74**	**11,371**	**11,445**

Notes:
*Earmarked bank balances represent deposits not due for realisation within 12 months from the balance sheet date. These are held against issue of bank guarantee.

07 - Other non-financial assets

Particulars	As at March 31, 2019 (₹ in Lakhs)			As at March 31, 2018 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Capital advances	37	-	37	15	-	15
(b) Advance with public bodies	2,105	1,062	3,167	2,105	1,224	3,329
(c) Prepaid Lease Payments	6	0	6	7	0	7
(d) Other loans and advances	12	4,599	4,611	5,538	3,425	8,963
Gross non financial assets	**2,160**	**5,661**	**7,821**	**7,665**	**4,649**	**12,314**
Less: Provision for bad & doubtful non financial assets						
(a) Capital advances	-	-	-	-	-	-
(b) Advance with public bodies	1,315	-	1,315	1,133	-	1,133
(c) Prepaid Lease Payments	-	-	-	-	-	-
(d) Other loans and advances	-	127	127	3,020	77	3,097
Total provision for bad & doubtful non financial assets	**1,315**	**127**	**1,442**	**4,153**	**77**	**4,230**
Total other non financial assets	**845**	**5,534**	**6,379**	**3,512**	**4,572**	**8,084**
Classification of other non-financial assets						
Secured, considered good	-	-	-	-	-	-
Unsecured, considered good	845	5,534	6,379	3,512	4,572	8,084
Doubtful	1,315	127	1,442	4,153	77	4,230
Gross other non-financial assets	**2,160**	**5,661**	**7,821**	**7,665**	**4,649**	**12,314**

Notes:
(a) Other loans and advances includes loans given to Key managerial personnel agregates to ₹ 0.57 Lakhs As at March 31, 2019 (March 31, 2018: ₹ 0.72 Lakhs).
(b) Prepaid lease payment relate to land leases classified as operating in nature as the title is not expected to transfer at the end of the lease term and considering that land has an indefinite economic life.
(c) '0' indicates value below the rounding off conversion of ₹ Lakhs.

08 - Inventories

Particulars	As at March 31, 2019 (₹ in Lakhs)	As at March 31,2018 (₹ in Lakhs)
Inventories (lower of cost or net realizable value)		
(a) Land, plots and construction in progress	6,417	6,019
(b) Stores & Spares	1,392	1,759
Total Inventories	**7,809**	**7,778**

Notes:

(a) The value of stores and spares above is stated after impairment of ₹ 597 Lakhs (March 31, 2018: ₹181 Lakhs) for provision for slow moving and obsolete item.

(b) Land, plots and construction in progress is recognised as cost or fair value whichever is lower. During the year,

Lands have been valued from a certified valuer. Fair value of the land as per the valuation report is ₹ 16,571 Lakhs. Hence land has been recognised at cost.

09 - Current Investments

Particulars	As at March 31, 2019 (₹ in Lakhs)	As at March 31,2018 (₹ in Lakhs)
Unquoted Investments		
(a) Investment in mutual funds		
TATA Mutual Fund	-	501
Reliance Liquid Fund	-	1,044
SBI Premier Liquid Fund	-	502
Birla Sun Life Cash Plus	-	501
Total Current Investments	**-**	**2,548**

10 - Trade Receivables

Particulars	As at March 31, 2019 (₹ in Lakhs)	As at March 31,2018 (₹ in Lakhs)
(a) Secured, Considered good	3,307	3,117
(b) Unsecured, Considered good	26,772	16,404
(c) Unsecured, Considered Doubtful	3,589	3,005
Less: Allowance for Credit losses	3,589	3,005
	30,079	**19,521**

Notes:

(a) Ageing of trade receivables and credit risk arising there from is as below:

	As at March 31,2019 (₹ in Lakhs)		
	Gross Credit Risk	**Allowance for Credit loss**	**Net Credit Risk**
Amount not yet due	19,844	-	19,844
One month overdue	2,228	-	2,228
Two months overdue	1,648	-	1,648
Three months overdue	109	-	109
Between three to six months overdue	953	-	953
Greater than six months overdue	8,886	3,589	5,297
	33,668	**3,589**	**30,079**

	As at March 31,2018 (₹ in Lakhs)		
	Gross Credit Risk	**Allowance for Credit loss**	**Net Credit Risk**
Amount not yet due	11,970	-	11,970
One month overdue	3,122	-	3,122
Two months overdue	218	-	218
Three months overdue	540	-	540
Between three to six months overdue	764	-	764
Greater than six months overdue	5,912	3,005	2,907
	22,526	**3,005**	**19,521**

(b)The Company considers its maximum exposure to credit risk with respect to customers As at March 31, 2019 to be ₹ 30,079 Lakhs (March 31, 2018: ₹ 19,521 Lakhs), which is the fair value of trade receivables (after allowance for credit losses).

Of the trade receivable balance As at March 31,2019 ₹ 18,562 Lakhs (As at March 31, 2018 of ₹ 8,502 Lakhs) is due from Tata Steel Limited the holding company, and ₹ 3,095 Lakhs (As at March 31, 2018 of ₹ 3,287 Lakhs) is due from Mysore city corporation, the entities largest customers. There are no other customers who represents more than 10% of the total balance of Trade Receivables.

(c) Movement in Allowance for Credit Losses:

Particulars	As at 31.03.2019 (₹ in Lakhs)	As at 31.03.2018 (₹ in Lakhs)
Balance at the beginning of the year	3,005	2,821
Provision created during the year	586	187
Provisions reversed during the year	(2)	(3)
Balance at the end of the year	**3,589**	**3,005**

(d) There are no outstanding debts due from directors or other officers of the company.

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Notes Forming Part of Financial Statement

11 - Cash and Bank Balances

Particulars	As at March 31, 2019 (₹ in Lakhs)	As at March 31, 2018 (₹ in Lakhs)
Cash and Cash Equivalents		
(a) Cash in hand	3	5
(b) Unrestricted Balances in current accounts	729	854
Total cash and cash equivalents	732	859
Other Balance with Banks		
(a) Earmarked Balances with banks	2,752	613
(i) In Current Account (Power surplus)	2,332	-
(ii) In Deposit Account	420	613
Total cash and bank balances	**3,484**	**1,472**

Notes:

(a) Earmarked cash and bank balances primarily represents balances held against issue of bank guarantee and amount deposited in a seperate bank account against power surplus received from power consumers.

12 - Share Capital

Particulars	As at March 31, 2019 (₹ in Lakhs)	As at March 31, 2018 (₹ in Lakhs)
Authorised :		
31,200,000 Equity Shares of Rs. 10 each	3,120	3,120
(March 31,2018: 31,200,000 Equity Shares of ₹ 10 each)		
Issued , Subscribed and Fully Paid up :		
24,350,000 Equity Shares of Rs 10 each	2,435	2,035
(March 31,2018: 20,350,000 Equity Shares of ₹ 10 each)		

Notes:

(a) Reconcilation of the number of Equity shares and the amount outstanding at the beginning and at the end of the reporting period is as below:

Particulars	Number of Shares	Share Capital (₹ in Lakhs)
Balance at March 31, 2017	2,03,50,000	2,035
Shares issued during the year	-	-
Balance at March 31, 2018	2,03,50,000	2,035
Shares issued during the year	40,00,000	400
Balance at March 31, 2019	2,43,50,000	2,435

(b) Of the above 24,349,940 Equity Shares (As at March 31,2018: 20,349,940 Equity Shares) are held by Tata Steel Limited, the holding Company.

(c) The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company.

(d) In respect of every equity share, voting rights shall be in same proportion as the capital paid up on such eqitty share bears to the total paid up capital of the company.

(e) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend.

(f) In the event of liquidation, the shareholders of Equity Shares are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(g) On April 16, 2018, the company invited its shareholders to subsribe to a right issue of 40,00,000 equity shares at an issue price of ₹ 10 per share, with such to be issue on and ranked for dividends after May 24, 2018. The issue was fully subscribed.

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Notes Forming Part of Financial Statement

13 - Borrowings

Particulars	As at March 31, 2019 (₹ in Lakhs)				As at March 31, 2018 (₹ in Lakhs)			
	Long term	Current maturities of Long-term *	Short term	Total	Long term	Current maturities of Long-term *	Short term	Total
(a) Term Loans from banks	-	-	-	-	-	600	-	600
(b) Working Capital Demand Loans from banks	-	-	12	12	-	-	-	-
(c) Loans from group companies								
(a) Inter-corporate Deposits (ICD)	-	-	-	-	-	-	750	750
Total Borrowing	**-**	**-**	**12**	**12**	**-**	**600**	**750**	**1,350**

Notes:

(a) The unsecured ICD had been obtained from the holding company and the applicable rate of interest was 12.5% for the year ended March 31, 2018. The ICD has been paid back during the year.

(b) 'Term loans from SBI were secured by hypothecation of Fixed Assets and Working capital demand loans from banks were Secured by parri-passu charge on Debtors and Inventory. These loans have been repaid during the year and the charges have been released.

(c) Maturity profile of borrowings including current maturities is as below:

	As at March 31, 2019 (₹ in Lakhs)	As at March 31, 2018 (₹ in Lakhs)
Not later than one year or on demand	12	1,350
Later than one year	-	-
	12	**1,350**

(d) * Current maturities of long-term borrowings is reported as a part of other current liabilities (Refer note no - 14).

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED

14 - Other financial liabilities

Particulars	As at March 31, 2019 (₹ in Lakhs)			As at March 31, 2018 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Current maturities of long-term debt	-	-	-	-	600	600
(b) Interest payable						
(i) Interest accrued but not due on borrowings	-	-	-	-	633	633
(c) Creditors for other liabilities						
(i) Creditors for capital supplies/services	-	388	388	-	277	277
(ii) Other credit balances						
Security and other deposits	7,190	514	7,704	6,309	500	6,809
Contribution for capital expenditure	-	1,883	1,883	-	871	871
Contract Liability	-	1,433	1,433	-	1,107	1,107
Other credit balances	-	342	342	-	271	271
Total Other financial liabilities	**7,190**	**4,560**	**11,750**	**6,309**	**4,259**	**10,568**

15 - Provisions

Particulars	As at March 31, 2019 (₹ in Lakhs)			As at March 31, 2018 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Provision for employee benefits						
(1) Long-term Employee Benefits	3,252	639	3,891	3,442	552	3,994
(2) Provision for employee separation compensation	1,176	259	1,435	1,305	308	1,613
(3) Employee redundancy provision	183	117	300	-	-	-
(b) Other Provisions						
(1) Provision for Performance guarantee	-	186	186	-	155	155
(2) Provision for estimated loss on contracts	-	359	359	-	395	395
(3) Provisions for Liquidated Damages	-	816	816	-	363	363
Total Provisions	**4,611**	**2,376**	**6,987**	**4,747**	**1,773**	**6,520**

Notes:

(a) The details of movement in other provisions is as below: **(₹ in Lakhs)**

Particulars	Performance Guarantee	Estimated loss on contracts	Liquidated Damages
Balance at March 31,2017	**124**	**379**	**371**
Provision created during the year	31	34	0
Provisions reversed during the year	-	(18)	(8)
Balance at March 31, 2018	**155**	**395**	**363**
Provision created during the year	31	0	453
Provisions reversed during the year	-	(36)	-
Balance at March 31, 2019	**186**	**359**	**816**

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Notes Forming Part of Financial Statement

16 - Retirement benefit obligations

Particulars	As at March 31, 2019 (₹ in Lakhs)			As at March 31, 2018 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Retiring Gratuity	365	-	365	631	-	631
(b) Other Defined Benefit Provisions	177	9	186	175	6	181
Total Retirement benefit obligations	**542**	**9**	**551**	**806**	**6**	**812**

17 - Deferred Income

Particulars	As at March 31, 2019 (₹ in Lakhs)			As at March 31, 2018 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Grants for property, plant & equipment	320	53	373	281	40	321
(b) Other deferred income	6,801	603	7,404	6,367	538	6,905
Total Deferred Income	**7,121**	**656**	**7,777**	**6,648**	**578**	**7,226**

18 - Other non-financial liabilities

Particulars	As at March 31, 2019 (₹ in Lakhs)			As at March 31, 2018 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Advances received from customers	-	6,641	6,641	-	8,275	8,275
(b) Employee recoveries and employer contributions	-	260	260	-	253	253
(c) Statutory Dues (GST, Excise duty, service tax, TDS, etc)	-	1,916	1,916	-	1,100	1,100
(d) Other credit balances	-	3,968	3,968	-	2,287	2,287
Total Other non-financial liabilities	**-**	**12,785**	**12,785**	**-**	**11,915**	**11,915**

19 - Trade Payables

Particulars	As at March 31, 2019 (₹ in Lakhs)			As at March 31, 2018 (₹ in Lakhs)		
	Non Current	Current	Total	Non Current	Current	Total
(a) Creditors for supplies / services						
(i) Total outstanding due of micro and small enterprises (Refer note 26F).		360	360		91	91
(ii) Total outstanding due other than (a)(i) above		27,555	27,555		22,302	22,302
(b) Creditors for accrued wages and salaries	44	5,039	5,083	-	3,788	3,788
Total Trade Payables	**44**	**32,954**	**32,998**	**-**	**26,181**	**26,181**

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Notes Forming Part of Financial Statement

20 - Revenue from Operations

Particulars	For the year ended March 31, 2019 (₹ in Lakhs)	March 31, 2018 (₹ in Lakhs)
(a) Service Income	48,306	34,928
(b) Income From Construction Activities	26,427	26,266
(c) Sale of Power	36,680	30,343
Total Revenue from Operations	**1,11,413**	**91,537**

21 - Other Income

Particulars		
(a) Interest income	45	44
(b) Net Gain / (Loss) on sale of investments	78	110
(c) FV Changes on non-derivative FA/FL	-	8
(d) Liability no longer required written back	849	663
(e) Other miscellaneous income	520	360
Total Other Income	**1,492**	**1,185**

22 - Direct Expenses

Particulars		
(a) Stores and spares consumed	17,618	14,736
(b) Fuel oil consumed	398	322
(c) Purchase of power	31,143	25,775
(d) Cost of services	34,673	26,660
Total Direct Expenses	**83,832**	**67,493**

23 - Employee Benefit Expenses

Particulars		
(a) Salaries and wages, including bonus	14,287	12,530
(b) Contribution to provident and other funds		
(i) Provident Fund and Employee Pension Scheme	838	827
(ii) Superannuation Fund and other fund	207	210
(iii) Gratuity	452	492
(c) Staff welfare expenses	561	486
Total Employee Benefit Expenses	**16,345**	**14,545**

Salary and wages amounting to ₹ 53 Lakhs (March 31, 2018: NIL) have been capitalised during the year for Sarikela Kharsawa power project.

The company has recognised, in the statement of profit and loss for the current period, an amount of ₹ 312 Lakhs (March 31, 2018: ₹ 186 Lakhs) as expenses under the following kinds of employee benefits with respect to Key managerial personnel:

Particulars		
(a) Short term employee benefits	255	152
(b) Long term employee benefits	57	34
	312	**186**

24 - Finance Cost

Particulars		
(a) Interest expense		
(i) Interest Debentures and Fixed Loans	47	267
(ii) Interest on Others	620	775
Total Finance Cost	**667**	**1,042**

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
Notes Forming Part of Financial Statement

25 - Other Expenses	**For the year ended**	
Particulars	**March 31, 2019 (₹ in Lakhs)**	**March 31, 2018 (₹ in Lakhs)**
(a) Repairs to plant and machinery	290	224
(b) Rent	234	141
(c) Rates and taxes	307	310
(d) Insurance	38	72
(e) Provisions	764	668
(1) Allowance for credit loss	584	184
(2) Provision for doubtful advances	180	484
(f) Payment to auditors		
(1) As Auditors [Excluding GST of ₹ 2 lakhs (March 31,2018 GST of ₹ 2 lakhs)]	9	8
(2) For Taxation matters	2	2
(3) For Other services	2	1
(4) Auditors out-of-pocket expenses	-	-
(g) Legal and other professional fees	149	204
(h) Advertisement, Promotion & Selling Expenses	55	46
(i) Travelling Expenses	246	30
(j) Miscellaneous expenses	2,363	889
Total Other Expenses	**4,459**	**2,595**

Notes:

(a) Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹ 106 Lakhs (year ended March 31, 2018 : ₹ 87 Lakhs).

(b) Revenue expenditure charged to statement of profit and loss in respect of Corporate SocialResponsibility (CSR) activities undertaken during the year is ₹ 110 Lakhs [₹ 73 Lakhs paid in cash and ₹ 37 Lakhs is yet to be paid] as compared to ₹ 89 Lakhs [₹ 64 Lakhs paid in cash and ₹ 25 Lakhs is yet to be paid] for the year ended March 31, 2018.

(c) Other expenses amounting to ₹ 6 Lakhs (March 31, 2018: ₹ 8 Lakhs) have been capitalised during the year for Sarikela Kharsawa power project and ₹ 141 Lakhs (March 31, 2018: NIL) have been taken to inventory for real estate project.

Note 1: Significant Accounting Policies

(1) Company Information

Jamshedpur Utilities and Services Company Limited ('JUSCO' or 'the Company') is a public limited Company incorporated in India with its registered office in Jamshedpur, Jharkhand, India.

JUSCO is India's first private sector comprehensive urban infrastructure service provider. Carved out of Tata Steel in 2004, it has the legacy of over ten decades of experience in providing these services-water, waste water, power distribution, municipal solid waste management and town planning- at Jamshedpur.

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

As on March 31, 2019, Tata Steel Limited owns 100% of the ordinary share of the company and has the ability to influence the company operations.

The financial statements for the year ended March 31, 2019 were approved by the board of directors and authorized for issue on April 10, 2019.

(2) Significant accounting policy

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

(a) Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under section 133 of the companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

(b) Basis for preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind-AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company has adopted the new revenue accounting standard Ind AS 115 'Revenue from Contracts with Customers' during the year using the full retrospective approach. As per the provisions of the standard, the comparatives for the previous year need to be restated and a third opening balance sheet needs to be prepared for the comparative periods. However since the impact of the adoption has been assessed to be immaterial, no change has been done to the comparative financial information. The company has identified adjustment of profit element on un-installed material as an adjustment to revenue as per the new standard. Since the adjustment is not material, the company has not restated the previous comparative. The impact is explained in note no 26 (J) of the financial statements.

The company's immediate holding company Tata Steel Limited prepares its consolidated financial statements as required under section 129(3) of the Act. JUSCO is an intermediate holding company with investments in subsidiaries, associates and joint ventures and has availed the exemption as per proviso to rule 6 of section 129(3) of the Act for not preparing its consolidated financial statements.

The financial statements has been prepared on a going concern basis.

(c) Use of estimates and critical accounting judgments

In preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions

are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.
Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions, contingent liabilities and fair value measurements of financial instruments as discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

Impairment

The Company estimates the value in use of the cash generating units (CGU) based on future cash flows after considering current economic conditions and trends, estimates future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value.

Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Retirement benefit obligations

The Company's retirement benefit obligation is subject to a number of judgment including discount rates, inflation and salary growth. Significant judgment is required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these judgements based on previous experience and third party actuarial advice.

(d) Property, plant and equipment

An item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognized in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognized. Where an item of Property, plant and equipment comprises major component having different useful lives, these components are accounted for as separate items.

Property, plant and equipment are stated at cost/deemed cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognized in the statement of profit and loss.

(e) Intangible assets

Software and License costs are included in the balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the Company. In this case they are measured initially at purchase cost and then amortised on a straight line basis over their estimated useful lives. All other costs on software and license are expensed in the statement of profit and loss as and when incurred.

Intangible assets include development of property of Mysore landfill project. The project was at Build, Operate and Transfer (BOT) basis under the Public Private Partnership (PPP) Model for a period of 28.8 years. Based on the assessment of Appendix C of Ind AS 115, all the expenditure incurred for Property, plant and Equipment's have been reclassified as Intangible assets.

(f) Depreciation and amortization of property, plant and equipment and intangible assets

Depreciation or amortization is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment and other intangible assets. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use. Property, plant and equipment and intangible assets of power business depreciation is provided on straight line basis at the rates specified in Electricity Act, 2003. In case of intangible asset- Development of Property –amortisation is done over the life of the contract.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

Block of Assets	**Estimated useful life (years)**
Buildings	10 - 60 Years
Plant and Machinery	2 - 30 Years
Office Equipments	3-10 Years
Furniture and Fixtures	5-10 Years
Vehicles	8 Years
Intangible Assets	5-10 Years
Assets covered under Electricity Act (life as prescribed under the Electricity Act)	3-19 Years

Assets value up to ₹5,000 are fully depreciated in the year of acquisition.

(g) Impairment

At each balance sheet date, the company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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. An impairment loss is recognized in the statement of profit and loss as and when the carrying amount of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognized as income immediately.

(h) Leases

The company determines whether an arrangement contains a lease by assessing whether the fulfillment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as lessee

Operating lease – Rentals payable under operating leases are charged to the statement of profit and loss in a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Finance lease – Finance leases are capitalized at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease.

The company as lessor

Operating lease – Rental income from operating leases is recognized in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight line basis over the lease term.

Finance lease – When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

(i) Investment in Subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost less accumulated impairment loss, if any. Where an indication exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

(j) Financial Instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. 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) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(i) Financial assets

Cash and Bank Balances

Cash and bank balances consist of:

Cash and cash equivalents - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

Other bank balances - which includes balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and 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.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and 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.

Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through other comprehensive income.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

Derecognition of financial assets

The company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognizes its retained interest in the assets 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 of the proceeds received.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant.

Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.

Derecognition of financial liabilities

The company derecognizes financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire.

(k) Retirement benefit costs

Defined contribution plan

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

(l) Inventories

Inventories are stated at the lower of cost and net realizable value. Costs comprise direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Stores and spare parts are carried at lower of cost and net realisable value.

Provisions are made to cover slow moving and obsolete items based on historical experience of utilization.

(m) Provisions

Provisions are recognized in the balance sheet when the company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and

(b) As a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

(n) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

(o) Contribution from Customers

Contribution received from consumers towards installation of assets pertaining to distribution of power and water, are credited to Deferred Income on capitalization of related assets . An amount in proportion to the depreciation charge for the year on such assets is transferred to the statement of profit and loss.

(p) Government grants

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfillment of obligations associated with the grant received. Total grants received less the amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet as deferred income.

(q) Insurance

Insurance premiums in respect of insurance placed and reinsurance premiums in respect of risks are charged to the statement of profit and loss in the period to which they relate.

(r) Taxation

Tax expense for the period comprises current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in countries where the Company operates by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

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 or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially 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 cover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognized as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognized in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(s) Revenue

The company has applied the new revenue accounting Standard Ind AS 115-Revenue from Contract with customer for the Annual reporting period commencing April 1, 2018 which resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements.

The company derives revenue from the transfer of goods and services over the period of time.

Revenue from Services and Construction Contracts

Revenue from providing services is recognized in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognized based on the actual service provided to the customers till the end of the reporting period as a proportion of the total services to be provided as the customer receives and uses the benefits simultaneously.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

For contract of fixed expenditure plus margin, revenue is recognised based on the actual service provided on which expenditure been incurred.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

Revenue from Sale of Power

Revenue from Sales of Power is recognised as per the prescribed rate approved by Jharkhand State Electricity Regulatory Council (JSERC) for the units consumed by the consumer.

Interest income

Interest income from financial assets is recognised 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 proportion basis taking into account the amount outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that assets net carrying amount on initial recognition.

(t) Foreign currency transactions and translation

The financial statements of the company are presented in (₹), which are the functional currency of the company and the presentation currency for the financial statements.

In preparing the individual financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

(u) Borrowing Costs

Borrowings 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 the intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the statement of profit and loss.

(v) Earnings per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated using the weighted average number of shares and dilutive potential shares except where the result would be anti dilutive.

(w) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns, internal organisation, management structure and the internal performance reporting systems. The accounting policies adopted for the segment reporting are in line with the accounting policies of the Company.

(x) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019.

- Ind AS 116 – Leases

The Company is in the process of evaluating the impact of adoption of Ind AS 116 on its financial statements.

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
NOTE 26: Notes Forming Part of the Financial Statement

(A) Financial Instruments

(i) Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the company.

The company determines the amount of capital required on the basis of annual operating plans and other strategic investment plans. The funding needs are met through equity, cash generated from operations, other long-term/short-term borrowings. The company's policy is aimed at combination of short-term and long-term borrowings.

The company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the company. Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

Particulars	As at March 31,2019 ₹ in Lakhs	As at March 31,2018 ₹ in Lakhs
Equity Share Capital	2,435	2,035
Other Equity	11,299	6,860
Total Equity (A)	**13,734**	**8,895**
Short term Borrowings	12	750
Current Maturity of Long term borrowings	-	600
Gross Debts (B)	12	**1,350**
Total Capital (A+B)	**13,746**	**10,245**
Gross debts as above	12	1,350
Less: Current Investments	-	2,548
Less: Cash and bank balances	3,484	1,472
Less: Other Bank balances (Non-current Earmarked balances)	349	74
Net Debts (C)	**(3,821)**	**(2,744)**
Net Debts to Equity	**(0.34)**	**(0.18)**

Net debt to equity as at March 31, 2019 and March 31, 2018 has been computed based on average equity.

(ii) Categories of financial instruments

Particulars	As at March 31,2019 ₹ in Lakhs	As at March 31,2018 ₹ in Lakhs
Financial assets		
Measured at fair value through Statement of profit and loss (FVTPL)		
(a) Mandatorily measured:		
(i) Investments in mutual funds	-	2,548

Measured at Amortized cost		
(a) Cash and bank balances	3,484	1,472
(b) Trade Receivables	30,079	19,521
(c) Other financial assets	11,994	9,417
(d) Investments in subsidiaries	400	15
Financial Liabilities		
Measured at Amortized cost		
(a) Borrowings	12	750
(b) Trade payables	32,998	26,181
(c) Other financial liabilities	11,750	10,568

Investments in mutual funds are mandatorily classified as fair value through statement of profit and loss.

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets designated at Fair Value through Profit & Loss (FVTPL). The carrying amount reflected above represents the entities maximum exposure to credit risk for such financial assets.

(iii) Fair Value Measurement

The short term financial assets and liabilities are stated at amortized cost which is approximately to their fair values.

Investments carried at their fair values, are generally based on market quotations. The fair value in respect of the unquoted equity instruments cannot be reliably measured.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets and liabilities that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity shares and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Group's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model did not based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level includes investment I unquoted equity shares.

Investment in mutual funds is measured at fair value at the end of each reporting period. The following table gives information about how the fair values are determined.

	Fair Value			
Particulars	**As at March 31,2019 ₹ in Lakhs**	**As at March 31,2018 ₹ in Lakhs**	**Fair Value hierarchy**	**Valuation technique(s) and key input(s)**
Investments in Mutual funds	-	2,548	Level 1	NAV's in the active market.

There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2019 and March 31, 2018.

(iv) Financial Risk management

In the course of its business, the company is exposed primarily to interest rate and credit risk, which may adversely impact the fair value of its financial instruments. The company has a risk management policy which not only covers the foreign exchange risks but also other risk associated with financial assets and liabilities such as interest rate risk and credit risk. The risk management aims at:

1. Create a stable business planning environment by reducing the impact of interest rate fluctuation on the Company's business plan.

2. Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market Risk:

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Interest rate Risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The sensitivity analysis has been determined based on the exposure to interest rates for financial assets and liabilities at the end of the reporting period. For financial assets/liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the entities profit for the year ended March 31, 2019 would increase/decrease by ₹0.12 Lakhs. (For the year ended March 31, 2018: ₹ 12 Lakhs). This is mainly on account of company's exposure to interest rates on its variable rate borrowing.

Credit risk management:

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loan receivables, and investments, cash and cash equivalents. None of the financial instruments of the company results in material concentration of credit risk.

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of account receivables and where appropriate, provision has been considered in the books.

Apart from Tata Steel Limited, the parent company the entity does not have any significant credit risk exposure to any single counterparty. Concentration of credit risk related to Tata steel Limited is approx. 55.95% (As on 31st March 2018:37.86%) of the gross trade receivables. Concentration of credit risk of Mysore City Corporation, company's second largest customer is approx11.86% (As on 31st March 2018: 17.73%). Since the Mysore city corporation is a government organization the credit risk is low. Concentration of credit risk to any other counterparty did not exceed 10% of gross trade receivables at any time during the year.

Liquidity risk management:

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The entity has obtained fund and non-fund based working capital lines from various banks. The entity invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risk.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments.

(₹ in Lakhs)

Particulars	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
March 31, 2019					
Non-derivative financial liabilities					
Borrowings					
(i) Principal	12	12	12	-	-
(ii) Interest	-	-	-	-	-
Trade payables	32,998	32,998	32,954	44	-
Other financial liabilities	11,750	11,750	4,560	-	7,190
	44,760	**44,760**	**37,526**	**44**	**7,190**
March 31, 2018					
Non-derivative financial liabilities					
Borrowings					
(i) Principal	1,350	1,350	1,350	-	-
(ii) Interest	-	83	83	-	-
Trade payables	26,181	26,181	26,181	-	-
Other financial liabilities	10,568	10,568	4,259	-	6,309
	38,099	**38,182**	**31,873**	**-**	**6,309**

(B) Employee Benefits

(i) Defined Contribution Plans

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The company has recognised, in the profit and loss account for the current period, an amount of ₹1,045 Lakhs (March 31, 2018: ₹ 1,037 Lakhs) as expenses under the following defined contribution plans:

Benefit (Contribution to)	Apr-Mar 2019 (₹ in Lakhs)	Apr-Mar 2018 (₹ in Lakhs)
(a) Provident Fund	652	645
(b) Employees' Pension Scheme	186	182
(c) TISCO Employees Pension Scheme	66	72
(d) Superannuation Fund	141	138
Total Benefit (Contribution)	**1,045**	**1,037**

The major defined contribution plans operated by company are as below:

Provident fund:

The company provide provident fund benefit for eligible employee as per applicable regulation where both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary.

The contributions, as specified under the law, are made to the provident fund and pension fund set up as an irrevocable trust by the company or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme.

Superannuation fund:

The company in India has a superannuation plan. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The company contributes up to 15% or ₹ 1.50 Lakhs whichever is lower, of the eligible employee's salary to the trust every year. Such contributions are recognized as an expense when incurred. The company has no further obligation beyond this contribution.

(ii) Defined benefit plans

The company operates post retirement defined benefit plans as follows:

(a) Funded

i. Post Retirement Gratuity

(b) Unfunded

i. Farewell Gifts

ii. Packing and Transportation benefit

Post Retirement Gratuity:

The company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The company makes annual contributions to gratuity funds established as trusts or insurance companies. JUSCO's liability for gratuity benefits payable in the future based on an actuarial valuation.

The following table sets out the amounts recognized in the financial statements for the retiring gratuity plans in respect of the company:

Change in Defined Benefit Obligation		**For the Year ended**	
		March 31,2019 (₹ in Lakhs)	**March 31,2018 (₹ in Lakhs)**
a.	Obligation as at the beginning of the year	6,337	6,761
b.	Current service cost	428	478
c.	Interest cost	448	433
d.	Re-measurement (gains)/losses		
	(i) Actuarial gains and losses arising from changes in financial assumption	-	(196)
	(ii) Actuarial gains and losses arising from changes in experience adjustments	6	134
	(iii) Actuarial gains and losses arising from changes in demographic assumption	-	(116)
e	Benefits paid	(721)	(1,157)
	Obligation as at the end of the year	**6,498**	**6,337**
Change in Plan Assets			
a.	Fair value of plan assets as at beginning of the year	5,706	6,373
b.	Interest income	424	419
c.	Re-measurement gains/(losses)		
	(i) Return on plan assets (excluding amounts included in net interest expense)	93	(317)
d.	Employers' Contributions	631	388
e.	Benefits paid	(721)	(1,157)
	Fair value of plan assets as at end of the year	**6,133**	**5,706**
Amount recognised in the balance sheet consists of		**As at**	**As at**
		March 31,2019 (₹ in Lakhs)	**March 31,2018 (₹ in Lakhs)**
a.	Fair value of plan assets as at beginning/end of the year	(6,133)	(5,706)
b.	Present value of obligation as at the beginning/end of the year	6,498	6,337
	Net liability arising from defined benefit obligation	**365**	631

Expenses recognised in the statement of profit and loss		**For the year ended**	
		March 31,2019 (₹ in Lakhs)	**March 31,2018 (₹ in Lakhs)**
a.	Service cost		
	(i) Current service cost	428	478
	(ii) Past Service Cost		-
b.	Net interest expense	24	14
	Defined benefit costs recorded in profit and loss	**452**	492
c.	The return on plan assets (greater/(less) than discount rate)	(93)	317
d.	Actuarial gains and losses arising from changes in financial assumption	-	(196)
e.	Actuarial gains and losses arising from changes in demographic assumption	-	(116)
f	Actuarial gains and losses arising from changes in experience adjustments	6	134
	Defined benefit costs recorded in Other comprehensive income	(87)	139
	Total of defined benefit costs	**365**	**631**

The assumptions used in accounting for the retiring gratuity plans are set out below:

Assumptions		**Valuation as at**	
		March 31,2019	**March 31,2018**
a.	Discount rate (per annum)	7.50%	7.50%
b.	Rate of escalation in salary (per annum)		
	OPR	10.00%	10.00%
	NOPR	7.50%	7.50%

The defined benefit plans expose the Company to a number of actuarial risks as below:

(a) **Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

(b) **Interest risk:** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

(c) **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(d) Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

The weighted average duration of the defined benefit obligation as at March 31, 2019 is 6 years (March 31, 2018: 6 years).

The Company expects to contribute ₹ 365 Lakhs to the funded retiring gratuity plans in financial year 2019.

The fair value of Company's plan asset as of March 31, 2019 and 2018 by category are as follows:

Investment details (%)		**As at March 31, 2019**	**As at March 31, 201**
a.	GOI Securities (Central and State)	13.20%	15.07%
b.	High Quality Corporate Bonds (Including Public Sector Bonds)	1.44%	8.70%
c.	Scheme of Insurance -conventional products	85.36%	76.23%
		100.00%	**100.00%**

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and inflation cost:

Assumption	**Change in assumption**	**Impact on scheme liabilities**
As at March 31,2019		
Discount rate	Increase by 1%, decrease by 1%	Decrease by 6%, increase by 6%
Salary escalation	Increase by 1%, decrease by 1%	Increase by 6%, decrease by 6%
As at March 31,2018		
Discount rate	Increase by 1%, decrease by 1%	Decrease by 5.6%, increase by 6.4%
Salary escalation	Increase by 1%, decrease by 1%	Increase by 6.3%, decrease by 5.6%

The above sensitivities may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Packaging & Transportation Benefit Scheme:

The Packaging & Transportation Benefit Scheme is a Defined Benefit Plan that provides a benefit upon meeting the requisite service eligibility criteria. Packing & transportation is given to officers for shifting their household materials which is up to 1.5 times of their last drawn Salary.

Farewell Gift Benefit Scheme:

The Farewell Gift Benefit Scheme is a Defined Benefit Plan that provides a benefit upon meeting the requisite service eligibility criteria. The Farewell Benefit is given to retiring employees in terms of gift coupons as per the category, i.e. ₹ 5000/- to all NOPRs, ₹ 7000/- to OPR of 'JM01 to JM07' and ₹ 5000/- to other OPR.

The following table sets out the amounts recognized in the financial statements for the other defined benefit plans in respect of the company:

Change in Defined Benefit Obligation		**For the Year ended**	
		March 31,2019 (₹ in Lakhs)	**March 31,2018 (₹ in Lakhs)**
a.	Obligation as at the beginning of the year	171	195
b.	Current service cost	14	(32)
c.	Interest cost	13	14
d.	Re-measurement (gains)/losses		
	(i) Actuarial gains and losses arising from changes in financial assumption	-	(0)
	(ii) Actuarial gains and losses arising from changes in experience adjustments	(15)	(1)
	(iii) Actuarial gains and losses arising from changes in demographic assumption		(2)
e	Benefits paid	(5)	(3)
	Obligation as at the end of the year	**178**	**171**

Expenses recognised in the statement of profit and loss		**For the year ended**	
		March 31,2019 (₹ in Lakhs)	**March 31,2018 (₹ in Lakhs)**
a.	Service cost		
	(i) Current service cost	14	(32)
	(ii) Past Service Cost		-
b.	Net interest expense	13	14
	Defined benefit costs recorded in profit and loss	**27**	**(18)**
c.	Actuarial gains and losses arising from changes in financial assumption	-	(0)
d.	Actuarial gains and losses arising from changes in demographic assumption	(15)	(2)
E	Actuarial gains and losses arising from changes in experience adjustments	-	(1)
	Defined benefit costs recorded in Other comprehensive income	(15)	**(3)**

	Total of defined benefit costs	**12**	**(21)**

The assumptions used in accounting for the other defined benefit plans are set out below:

Assumptions		**Valuation as at**	
		March 31,2019	**March 31,2018**
a.	Discount rate (per annum)	7.50%	7.00%
b.	Rate of escalation in salary (per annum)		
	OPR	10.00%	10.00%
	NOPR	7.50%	7.50%

The weighted average duration of the defined benefit obligation as at March 31, 2019is 6 years (March 31, 2018: 12 years) for Farewell Gift Benefit and 9 years (March 31, 2018: 11 years) for Packing & Transportation Benefit.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/ increase of 1% in the assumed rate of discount rate, salary escalation and inflation cost:

Assumption	**Change in assumption**	**Impact on scheme liabilities**
As at March 31,2019		
Discount rate	Increase by 1%, decrease by 1%	Decrease by 5%, increase by 6% for Farewell Gift Benefit and Decrease by 8%, increase by 10% for Packing &Transportation Benefit
Salary escalation	Increase by 1%, decrease by 1%	Increase by 9%, decrease by 8%
As at March 31,2018		
Discount rate	Increase by 1%, decrease by 1%	Decrease by 5%, increase by 6% for Farewell Gift Benefit and Decrease by 8%, increase by 9% for Packing &Transportation Benefit
Salary escalation	Increase by 1%, decrease by 1%	Increase by 9%, decrease by 8%

The above sensitivities may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(C) Information about Operating segments

₹ in Lakhs

Particulars	Service	Power	Construction	Un-allocated	Total
Total Revenue	**48,306**	**36,680**	**26,427**	**-**	**1,11,413**
	34,928	*30,343*	*26,266*	-	*91,537*
Segment Results before finance cost and taxes.	**5,357**	**2,429**	**838**	**-**	**8,624**
	4,098	*1,819*	*1,804*	-	*7,721*
Unallocated Corporate Expenses (net off other Income)	**-**	**-**	**-**	**2,005**	**2,005**
	-	-	-	*1,357*	*1,357*
Finance Costs (net of income)	**-**	**574**	**22**	**26**	**622**
	-	*739*	*2*	*257*	*998*
Profit before taxes and exceptional items	**-**	**-**	**-**	**-**	**5,997**
	-	-	-	-	*5,366*
Exceptional Items	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	*1,809*
Taxes	**-**	**-**	**-**	**-**	**1,435**
	-	-	-	-	*1,051*
Profit after taxes (Total Comprehensive Income of the year)	**-**	**-**	**-**	**-**	**4,562**
	-	-	-	-	*2,506*
Segment assets	**19,689**	**23,221**	**27,640**	**11,532**	**82,082**
	14,600	*18,119*	*22,161*	*14,105*	*68,985*
Segment Liabilities	**24,566**	**21,060**	**22,339**	**4,883**	**72,848**
	22,043	*16,024*	*19,948*	*4,607*	*62,622*
Segment assets capitalized during the period.	**372**	**2,287**	**80**	**-**	**2,739**
	158	*1,986*	*294*	-	*2,438*
Segment depreciation	**117**	**1,264**	**269**	**56**	**1,706**
	103	*1,119*	*290*	*33*	*1,545*

Non-cash expenses other than depreciation	**-**	**-**	**1,081**	**-52**	**1,029**
	-	-	*169*	*327*	*496*

Notes:

(i) The Company has disclosed business segment as the primary segment. There is no significant difference in the business conditions prevailing in various states in India, where the company has its operations. There are no sales made by the company to external customers outside India. Consequently there is no need for separate disclosure for geographical segment as required under IND AS-108"Operating Segment".

(ii) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. Assets and Liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

(iii) Total un-allocable assets exclude :

	As at March 31, 2019 (₹ in Lakhs)	**As at March 31, 2018 (₹ in Lakhs)**
Investments in Subsidiary	400	15
Equity Accounted Investments	1,368	1,368
Deferred Tax assets	3,172	2,499
Total	**4,940**	**3,882**

(iv) Total un-allocable liabilities exclude:

	As at March 31, 2019 (₹ in Lakhs)	**As at March 31, 2018 (₹ in Lakhs)**
Secured loan (cash credit and Term Loan)	12	600
Unsecured Loan	-	750
Provision for taxation	428	-
Total	**440**	**1,350**

(v) Previous year figures are in italics.

(D) Related party transactions

List of related Parties and relationships:

Party	Relationship
Tata Sons Limited	Ultimate Holding Company
Tata Steel Limited	Holding Company
Adityapur Toll Bridge Company Limited	
Tayo Rolls Limited	
The Indian Steel and Wire Products Limited	
Tata Pigments Limited	
Tinplate Company of India Limited	Fellow subsidiaries
Tata Metaliks DI Pipes Limited	
Tata Sponge Iron Limited	
Tata Steel Foundation	
Jamshedpur Football and Sporting Private Limited	
Tata Steel Bhushan Steel Limited	
Tata Steel Processing Distribution Limited	
Tata Blue Scope Steel limited	
MJunction Services Limited	
Jamipol ltd	
TM International Logistics Limited	Joint Venture of Holding Company
Jamshedpur Continuous Annealing & Processing Company Private Limited	
Nicco Jubilee Park Limited	
Haldia Water Management Limited	Subsidiaries
Kalimati Global Shared Services Limited	Subsidiaries
Nabadiganta Water Management Ltd.	Joint Ventures
SEZ Adityapur Limited	Joint Ventures
Mr. Ashish Mathur [Upto July 31, 2018]	Key Managerial Personnel
Mr. Tarun Kumar Daga [From August 01, 2018]	Key Managerial Personnel

JAMSHEDPUR UTILITIES AND SERVICES COMPANY LIMITED
NOTE 26: Notes Forming Part of the Financial Statement

(i) Transactions with related parties in the normal course of business are as follows:

₹ in Lakhs

Particulars	Ultimate Holding Company	Holding company	Fellow subsidiaries	JV of Holding Company	Subsidiaries	Joint Ventures	Key Managerial Personnel
Purchase of Power	-	**18,187**	-	-	-	-	-
	-	*(13,169)*	-	-	-	-	-
Purchase of Goods/Stores	**-**	**2,170**	**1,079**	**0**	**-**	**-**	**-**
	-	*(1,907)*	*(725)*	*(109)*	**-**	**-**	**-**
Sale of Power	**-**	**580**	**12**	**-**	**-**	**-**	**-**
	-	*(523)*	*(16)*	**-**	**-**	**-**	**-**
Rendering of services	**-**	**75,632**	**2,208**	**5**	-	-	-
	-	*(61,487)*	*(1,405)*	*(2)*	-	-	-
Receiving of services	**191**	**997**	**54**	**12**	-	-	-
	(170)	*(499)*	*(155)*	*(12)*	-	-	-
Interest Expenses	-	**14**	**0**	-	-	-	-
	-	*(126)*	*(0)*	-	-	-	-
Expenses incurred	-	-	-	-	**9**	**1**	-
	-	-	-	-	*(15)*	*(1)*	-
Rent Expenses	-	-	-	-	-	**2**	-
	-	-	-	-	-	*(2)*	-
Unsecured advances/ deposits accepted	-	**1,427**	**100**	-	-	-	-
	-	*(2,188)*	*(195)*	-	-	-	-
Remuneration paid	-	-	-	-	-	-	**218**
	-	-	-	-	-	-	*(121)*

(ii) Outstanding transactions:

₹ in Lakhs

Particulars	Ultimate Holding Company	Holding company	Fellow subsidiaries	JV of Holding Company	Subsidiaries	Joint Ventures	Key Managerial Personnel
Trade Receivables	**-**	**28,257**	**1,034**	**2**	**1,456**	**-**	**-**
	-	*(16,766)*	*(891)*	*(4)*	*(1,456)*	**-**	**-**
Other financial Assets (ICD)	**-**	**-**	**-**	**-**	**1,650**	**-**	**-**
	-	-	-	**-**	*(1,650)*	**-**	**-**
Other financial Assets	**-**	**-**	**-**	**-**	**3,337**	**8**	**-**
	-	-	-	**-**	*(370)*	*(8)*	**-**
Trade payables	**168**	**39**	**387**	**4**	**-**	**12**	-
	(138)	*(200)*	*(90)*	*(4)*	-	*(4)*	-
Short term borrowings	-	-	-	-	-	-	-
	-	*(1,376)*	-	-	-	-	-
Other non-financial liabilities	-	**5,377**	**110**	**-**	**-**	**-**	-
	-	*(6,332)*	*(155)*	-	-	-	-

Previous year figures in italics and in brackets.

(E) Contingent Liabilities and commitments

Claims not acknowledged by the Company:

Particulars	As at March 31, 2019 (₹ in Lakhs)	As at March 31, 2018 (₹ in Lakhs)
Sales Tax, VAT & Service Tax	7,781	7,793
Legal cases	213	237
Income Tax	1,565	1,565

(F) The amount due to Micro and Small Enterprises as defined in the "The Micro Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises forming part of note 20(a):

	Particulars	For the year ended March 31, 2019 (₹ in Lakhs)	For the year ended March 31, 2018 (₹ in Lakhs)
(a)	Principal amount remaining unpaid to supplier as at the end of the year	360	91
(b)	Interest due thereon remaining unpaid to supplier as at the end of the year	1	1
(c)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under the act.	1,643	1,610
(d)	The amount of interest due and payable for the period of delay in making payment during the period	13	14
(e)	Amount of interest accrued and remaining unpaid at the end of the year.	106	93

(G) **Earnings per Share (EPS)**

	Particulars	For the year ended March 31, 2019 (₹ in Lakhs)	For the year ended March 31, 2018 (₹ in Lakhs)
(i)	Profit/(Loss) for the year	4,496	2,595
(ii)	Profit/(Loss) attributable to equity Shareholders of the company used in calculating basic/Diluted EPS	4,496	2,595
(iii)	Weighted average number of Equity Shares used as denominator in calculating Basic/Diluted EPS	2,37,69,178	2,03,50,000
(iv)	Nominal value of Ordinary Shares (Rs)	10.00	10.00
(v)	Basic / Diluted Earnings per Ordinary Share (Rs)	18.91	12.75

(H) The Company has taken certain plant and machinery under operating leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases entered into by the Company:

Future minimum lease payments	As at March 31, 2019 (₹ in Lakhs)	As at March 31, 2018 (₹ in Lakhs)
(i) Not later than 1 year	140	145
(ii) Later than 1 year but not later than 5 years	288	223
(iii) Later than 5 years	-	-
Operating lease charge		
(i) Lease payments recognised in the profit & loss account	140	136

(I) **Income tax recognised in profit or loss:**

Particulars	For the year ended March 31, 2019 (₹ in Lakhs)	For the year ended March 31, 2018 (₹ in Lakhs)
Current Tax		
In respect of current year	2,144	1,623
In respect of prior year	(36)	(13)
Deferred Tax	(673)	(559)
Total Income tax recognised in the current year	**1,435**	**1,051**

The income tax expenses for the year can be reconciled to the accounting profit as follows:

	Particulars	For the year ended March 31, 2019 (₹ in Lakhs)	For the year ended March 31, 2018 (₹ in Lakhs)
	Profit before tax from continuing operations	5,997	3,557
(a)	Income tax expense calculated at 34.944% (March 31, 2018:34.608%)	2,096	1,231
(b)	Decrease in tax expenses due to benefit of 80IA	(659)	(345)
(c)	Effect of expenses not allowed in income tax	25	149
(d)	Adjustments to current tax in respect of prior periods	(36)	(13)
(e)	Effect of timing differences on which deferred tax created/(reversed)	706	588
(f)	Effect of change in Income tax rates on deferred tax	(24)	-
(g)	**Total (h = a-b+c+d+e-f)**	**2,108**	**1,610**
	Income tax expenses recognised in profit or loss account	**2,108**	**1,610**

The tax rate used for the year ended March 31, 2019 and March 31, 2018 reconciliation above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax laws.

Significant component of deferred tax assets and liabilities for the year ended March 31, 2019 and March 31, 2018 is as follows:

₹ in Lakhs

	As at March 31, 2017	**Deferred tax expense/ (income recognised in profit and loss)**	**As at March 31, 2018**	**Deferred tax expense/ (income recognised in profit and loss)**	**As at March 31, 2019**
Deferred Tax Asset					
Provision for leave salaries	1,583	(201)	1,382	(39)	1,343
Other Provisions	1,163	194	1,357	739	2,096
Provision for Employee Separation Scheme	-	608	608	12	620
Deferred Income	2,243	258	2,501	217	2,718
Total	**4,989**	**859**	**5,848**	**929**	**6,777**
Deferred Tax Liability					
Fixed Assets	3,049	300	3,349	256	3,605
Total	**3,049**	**300**	**3,349**	**256**	**3,605**
Net Deferred tax asset	**1,940**	**559**	**2,499**	**673**	**3,172**

(J) Changes in Accounting policy and Impact of Adoption of Ind AS 115

The impact on adoption of Ind AS 115 in the comparable profit and loss account:

The company has identified adjustment of profit element of un-installed material as an adjustment to the revenue as per the new standard. Since the impact of the aforesaid adjustment is not material, the company has not re-stated the previous year comparative.

Particulars	**As per audited financial statement for the year ended March 31, 2018 (As previously reported) ₹ in Lakhs**	**Re-classification/ Adjustment ₹ in Lakhs**	**As per Ind AS 115 ₹ in Lakhs**
Income from Construction activities	26,266	83	26,183

(K) The subsidiary company "Haldia Water Management Limited" could not meet the debt service obligation in respect of its bank loan. The subsidiary company entered into a concession agreement with a Government agency which has become frustrated and for which arbitration was under process till March 31, 2018.

Pursuant to an agreement entered into with lender bank of the subsidiary company, Jamshedpur Utilities & Service Company Limited ("the company") paid towards loan installments including interest obligation falling due on the subsidiary. As per the agreement, the portion representing principal amount be kept in a separate deposit account adjustable against any shortfall of final recovery from the subsidiary company.

Based on legal opinion and terms of the agreement with the bank , an amount of Rs 2,504 lakhs has been assessed as recoverable and carried as a long term non-financial assets in the books of accounts up to March 31,2018.

During the year ended March 31, 2019 the settlement of the arbitration proceeding mentioned above given effect and principal amount kept in separate bank account is returned by bank to the company.

(L) During the year ended March 31, 2018, company had come up with an Employee Separation Scheme (ESS). 39 employees had opted for the ESS. One time charge of Rs1,809 Lakhs has been taken in books which have been disclosed as an exceptional item. No ESS scheme is introduced by the company during the year ended March 31, 2019.

(M) In March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17. As per the new standard identified leases needs to be accounted as an intangible asset (right to use) with a corresponding liability for future cash flows. The Rules shall be effective only for accounting periods beginning on or after 01 April 2019. The Company is evaluating the requirements of the Rules and effect of the same on the financial statements.

(N) The dividend declared by the Company is based on profits available for distribution as reported in the financial statements of the Company. On April 10, 2019, the Board of Directors of the Company have proposed a dividend of ₹0.50 per Ordinary share of ₹10 each in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹146 Lakhs inclusive of dividend distribution tax of ₹24 Lakhs.

(O) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organization in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

(P) Previous year figures have been recasted / restated wherever necessary.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number - FRN304026E/E300009
Chartered Accountants

AvijitMukerji
Partner
Membership No – 056155

Place: Kolkata
Dated: April 10,2019

For and on behalf of the Board of Directors

Chanakya Chaudhary
Chairman
DIN: 02139568

Indrajit Roy
Chief Financial Officer

Tarun Kumar Daga
Managing Director
DIN: 01686499

Preeti Sehgal
Company Secretary

Place: Kolkata
Dated: April 10, 2019