

# Jindal Intellicom Limited

Consolidated Financial Statements

2015-16

---

28, Shivaji Marg, New Delhi – 110 015

# Jindal Intellicom Limited

## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016

Particulars		Note No	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)	As at 31st March, 2014 (Rs. in '000)
<b>ASSETS</b>					
(1)	<b>Non-current assets</b>				
	(a) Property, plant and equipment	5.0	147,107.77	128,549.02	136,307.33
	(b) Capital work-in-progress		1,105.32	2,696.98	-
	(c) Other intangible assets	6.0	5,114.69	2,916.26	2,647.92
	(d) Financial Assets				
	(i) Investments	7.0	122,920.64	75,871.71	3,180.25
	(ii) Other financial assets	8.0	657.06	4,344.25	44,687.56
	(e) Deferred tax assets (Net)	9.0	-	5,139.25	12,896.65
	(f) Other non-current assets	10.0	1,156.87	3,692.63	388.06
(2)	<b>Current assets</b>				
	(a) Financial Assets				
	(i) Investments	11.0	21,849.46	-	-
	(ii) Trade receivables	12.0	52,989.57	47,337.12	49,651.57
	(iii) Cash and cash equivalents	13.0	8,913.44	10,844.00	14,547.14
	(iv) Bank balances other than (iii) above	14.0	3,190.76	41,176.33	1,793.14
	(v) Loans	15.0	-	66.33	30,199.40
	(vi) Other financial assets	16.0	6,073.29	5,772.67	5,222.44
	(b) Current tax assets (Net)	17.0	1,825.17	3,149.15	510.00
	(c) Other current assets	18.0	7,115.09	6,813.99	6,737.95
	<b>Total Assets</b>		<b>380,019.13</b>	<b>338,369.69</b>	<b>308,769.41</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
	(a) Equity share capital	19.0	109,100.00	109,100.00	109,100.00
	(b) Other equity	20.0	198,361.03	169,758.67	140,654.48
<b>Liabilities</b>					
(1)	<b>Non-current liabilities</b>				
	(a) Provisions	21.0	11,981.99	15,514.65	10,345.72
	(b) Deferred tax liabilities (Net)	9.0	816.26	-	-
(2)	<b>Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	22.0	6,051.93	5,976.47	-
	(ii) Trade payables	23.0	11,646.90	11,219.47	14,965.57
	(iii) Other financial liabilities (other than those specified in (c) below)	24.0	28,594.77	16,672.51	25,024.96
	(b) Other current liabilities	25.0	3,575.92	4,097.78	3,068.44
	(c) Provisions	26.0	9,890.33	6,030.14	5,610.24
	<b>Total Equity and Liabilities</b>		<b>380,019.13</b>	<b>338,369.69</b>	<b>308,769.41</b>

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For S. Nayyar & Company

Chartered Accountants

FRN 002439N

Sanjeev Nayyar

Proprietor

M. No. 81124

Place: New Delhi

Dated: 26<sup>th</sup> May, 2016

Sanjiv Garg

Whole-time Director

& CEO

DIN : 00428757

Ritu Sharma

Company Secretary

M. No: A27654

Sunil Kumar Jain

Director

DIN : 01308863

Ajay Bhatia

CFO

# Jindal Intellicom Limited

## Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2016

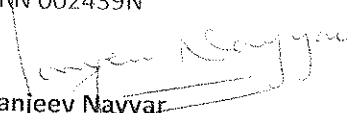
	Particulars	Note No	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
I	Revenue from operations	27.0	349,976.79	298,264.36
II	Other income	28.0	20,584.49	19,505.42
III	<b>Total Income (I + II)</b>		<b>370,561.28</b>	<b>317,769.78</b>
IV	<b>EXPENSES</b>			
	Employee benefit expense	29.0	231,890.26	191,502.40
	Finance costs	30.0	568.30	541.24
	Depreciation and amortization expense	31.0	16,562.73	16,062.31
	Other expenses	32.0	87,126.38	67,395.28
	<b>Total expenses (IV)</b>		<b>336,147.67</b>	<b>275,501.23</b>
V	<b>Profit/(loss) before exceptional items and tax (III- IV)</b>		<b>34,413.61</b>	<b>42,268.55</b>
VI	Exceptional items		-	-
VII	<b>Profit/(loss) before tax (V - VI)</b>		<b>34,413.61</b>	<b>42,268.55</b>
VIII	Tax expense: (2)			
	(1) Current tax		7,232.60	7,300.15
	(2) MAT credit utilisation		3,192.34	9,468.70
	(3) Deferred tax		1,022.99	(2,241.85)
IX	<b>Profit/(Loss) for the period from continuing operations (VI I- VIII)</b>		<b>22,965.68</b>	<b>27,741.55</b>
X	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	(i) Re-measurement gains (losses) on defined benefit plans		1,397.15	(1,340.30)
	Income tax effect on above		(453.66)	434.86
	(ii) Equity instruments through Other Comprehensive Income		-	278.76
	Income tax effect on above		(13.63)	(60.30)
	B (i) Items that will be reclassified to profit or loss			
	(i) Mutual fund investments through Other Comprehensive Income		6,548.94	3,412.69
	Income tax effect on above		(1,457.58)	(738.16)
	(ii) The effective portion of gain and loss on hedging instruments in a cash flow hedge		(569.23)	(440.22)
	Income tax effect on above		184.69	(184.69)
	<b>Other Comprehensive Income (X)</b>		<b>5,636.68</b>	<b>1,362.64</b>
XI	<b>Total Comprehensive Income for the period (IX+X)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>28,602.36</b>	<b>29,104.19</b>
XII	Earnings per equity share (for continuing operation):			
	(1) Basic		2.11	2.54
	(2) Diluted		2.11	2.54

# Jindal Intellicom Limited

---


The accompanying notes form an integral part of these financial statements.


As per our report of even date attached  
For **S. Nayar & Company**  
Chartered Accountants  
FRN 002439N


  
**Sanjeev Nayar**  
Proprietor  
M. No. 81124


Place: New Delhi  
Dated: 26<sup>th</sup> May, 2016

For and on behalf of the Board of Directors

  
**Sanjiv Garg**  
Whole-time Director  
& CEO  
DIN : 00428757

  
**Ritu Sharma**  
Company Secretary  
M. No: A27654

  
**Sunil Kumar Jain**  
Director  
DIN : 01308863

  
**Ajay Bhatia**  
CFO

# Jindal Intellicom Limited

## Consolidated Statement of Change in Equity for the year ended 31<sup>st</sup> March, 2016

### A – Equity Share Capital


Balance as at 1st April 2014 (Rs. in '000)	Changes in equity share capital during the year 2014-15 (Rs. in '000)	Balance at the end of 31st March, 2015 (Rs. in '000)	Changes in equity share capital during the year 2014-15 (Rs. in '000)	Balance at the end of 31st March, 2016 (Rs. in '000)
109,100.00	-	109,100.00	-	109,100.00

### B – Other Equity

	Reserves and Surplus		Items of Other Comprehensive Income				Total (Rs. in '000)
	Securities Premium Reserve (Rs. in '000)	Retained Earnings (Rs. in '000)	Debt instruments through Other Comprehensive Income (Rs. in '000)	Equity Instruments through Other Comprehensive Income (Rs. in '000)	Effective portion of Cash Flow Hedges (Rs. in '000)	Re-measurements of the net defined benefit Plans (Rs. in '000)	
Balance as at 1st April, 2014	4,450.00	135,195.03	-	-	1,009.45	-	140,654.48
Total Comprehensive Income for the year 2014-15	-	27,741.55	2,674.53	218.46	(624.91)	(905.44)	29,104.19
Balance as at 31st March, 2015	4,450.00	162,936.58	2,674.53	218.46	384.54	(905.44)	169,758.67
Total Comprehensive Income for the year 2015-16	-	22,965.68	5,091.36	(13.63)	(384.54)	943.49	28,602.36
Balance as at 31st March, 2016	4,450.00	185,902.26	7,765.89	204.83	-	38.05	198,361.03


The accompanying notes form an integral part of these financial statements.


As per our report of even date attached  
For **S. Nayyar & Company**  
Chartered Accountants  
FRN 002439N

  
**Sanjeev Nayyar**  
Proprietor  
M. No. 81124


Place: New Delhi  
Dated: 26<sup>th</sup> May, 2016

For and on behalf of the Board of Directors

  
**Sanjiv Garg**  
Whole-time Director  
& CEO  
DIN : 00428757

  
**Ritu Sharma**  
Company Secretary  
M. No: A27654

  
**Sunil Kumar Jain**  
Director  
DIN : 01308863

  
**Ajay Bhatia**  
CFO

# Jindal Intellicom Limited

## Consolidated Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2016

Particulars	For the year Ended	
	31st March, 2016 (Rs. In '000)	31st March, 2015 (Rs. In '000)
<b>A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>	34,413.61	42,268.55
Adjustments for		
Add/(Less)		
Depreciation and amortization expense	16,562.73	16,062.31
Interest expense	38.69	89.22
Loss/(Profit) on sale of property, plant and equipment	(116.05)	7.69
Provision for doubtful debts written back	(664.17)	(348.43)
Provision for gratuity	1,448.82	1,960.64
Provision for leave encashment	275.86	2,287.89
Unrealised gain or loss on fair valuation of investments through profit or loss	(167.64)	-
Miscellaneous balances written back	(66.87)	(408.31)
Miscellaneous balances written off (net)	11,765.45	835.12
Provision for Wealth tax	-	32.69
Loss/(Profit) on sale of investments	(1,236.67)	(140.97)
Effect of unrealised foreign exchange loss/(gain)	(2,066.32)	(181.58)
Interest income	(2,207.63)	(7,164.57)
	<b>23,566.20</b>	<b>13,031.70</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>57,979.81</b>	<b>55,300.25</b>
Adjustments for:-		
(Increase)/decrease in trade receivables	(17,332.38)	2,018.86
(Increase)/decrease in loans and advances and other assets	(1,455.45)	2,685.72
Increase/(decrease) in payables and provisions	10,279.94	(12,111.10)
	<b>(8,507.89)</b>	<b>(7,406.52)</b>
<b>CASH GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS</b>	<b>49,471.92</b>	<b>47,893.73</b>
Exceptional items	-	-
Tax paid	<b>(5,908.62)</b>	<b>(9,957.04)</b>
<b>NET CASH INFLOW / ( OUTFLOW ) FROM OPERATING ACTIVITIES (A)</b>	<b>43,563.30</b>	<b>37,936.69</b>
<b>B. CASH INFLOW/(OUTFLOW)FROM INVESTMENT ACTIVITIES</b>		
Purchase of debt mutual funds	(47,000.00)	(69,000.00)
Sale/(redemption) of debt mutual fund	6,583.31	-
Purchase of liquid mutual funds	(191,900.00)	(48,500.00)
Sale/(redemption) of liquid mutual fund	172,171.56	47,240.97
Purchase of property, plant and equipment, intangible assets and capital work in progress	(31,221.85)	(13,509.26)
Sale proceeds of property, plant and equipment	450.00	148.94
Loan to subsidiary (net of repayments)	(800.00)	1,400.00
Inter-corporate loans (net of repayments)	-	30,000.00
Interest received	5,200.79	4,818.64
(Increase)/decrease in fixed deposits	40,985.57	(126.37)
<b>NET CASH INFLOW/(OUTFLOW)FROM INVESTING ACTIVITIES (B)</b>	<b>(45,530.62)</b>	<b>(47,527.08)</b>

# Jindal Intellicom Limited

Particulars	For the year Ended 31st March, 2016 (Rs. In '000)		For the year Ended 31st March, 2015 (Rs. In '000)	
<b>C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>				
Short-term borrowings (net)	75.46		5,976.47	
Interest paid	(38.70)		(89.22)	
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES (C)</b>		<b>36.76</b>		<b>5,887.25</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS [A + B + C]</b>		<b>(1,930.56)</b>		<b>(3,703.14)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>10,844.00</b>		<b>14,547.14</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>8,913.44</b>		<b>10,844.00</b>

**NOTE:**

1. Figures in brackets indicate cash out flows.
2. The above Statement of Cash Flow has been prepared under the indirect method set out in IND AS-7 'Cash Flow Statements'.
3. Purchase of fixed assets includes movements of capital work-in-progress between the beginning and end of the Year.
4. Advances given to subsidiary company have been reported on net basis.
5. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

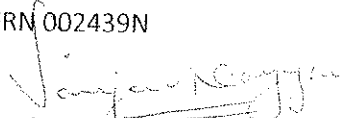
The accompanying notes form an integral part of these financial statements.

As per our report of even date attached

For **S. Nayyar & Company**

Chartered Accountants

FRN 002439N



**Sanjeev Nayyar**

Proprietor

M. No. 81124

Place: New Delhi

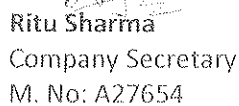
Dated: 26<sup>th</sup> May, 2016

For and on behalf of the Board of Directors



**Sanjiv Garg**  
Whole-time Director  
& CEO

DIN : 00428757

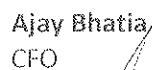


**Ritu Sharma**  
Company Secretary  
M. No: A27654



**Sunil Kumar Jain**  
Director

DIN : 01308863



**Ajay Bhatia**  
CFO

# Jindal Intellicom Limited

---

## Notes to the financial statements

### 1- Corporate and general information

Jindal Intellicom Limited ("the Company" or "Parent") is a public limited company domiciled and incorporated in India under the provisions of the Companies Act, 1956, having its registered office at 28, Shivaji Marg, New Delhi – 110 001 (India). The parent of the Company is JITF Shipyard Limited and ultimate parent is Jindal Saw Limited.

Under Companies Act, 2013, Group is defined as parent, subsidiaries, joint ventures and associates. For the purpose of these financial statements, the aforesaid definition under Companies Act, 2013 has been considered.

The Company is engaged in providing 'Business Process Outsourcing Services' and 'Information Technology Services' in overseas and domestic market. Export of Business Process Outsourcing Services form major part of its business activities.

Information of the Parent's principal shareholders is provided in Note no 19.0.

### 2- Basis of preparation

The Company has elected to voluntarily adopt Ind AS for the financial year beginning on 1<sup>st</sup> April, 2015 with 1<sup>st</sup> April, 2014 as the transition date. These are the Company's first annual financial statements prepared, complying in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements comply with Ind AS as issued by Ministry of Corporate Affairs (MCA), subject to certain transition elections and exceptions disclosed in Note 45.0 to these financial statements. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet as at 1<sup>st</sup> April, 2014 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards". The Transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in Ind AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at 1<sup>st</sup> April, 2014 and 31<sup>st</sup> March, 2015 and on the net profit and cash flows for the year ended 31<sup>st</sup> March, 2015 is disclosed in Note 45.0 to these financial statements.

The financial statements provide comparative information in respect to the previous year. In addition, the Company has presented additional statement of Balance sheet at the beginning of the previous year, which is the transition date to Ind AS.

The Significant accounting policies used in preparing the financial statements are set out in Note 3.0 of the notes to the financial statements.

# Jindal Intellicom Limited

---

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note 4.0 on significant accounting estimates, assumptions and judgements).

## **3.0- Significant Accounting Policies**

### **3.1- Basis of measurement**

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

- financial assets and liabilities except certain investments and borrowings carried at amortised cost,
- defined benefit plans – plan assets, if any, measured at fair value,
- derivative financial instruments,
- Property, plant and equipment on transition to Ind AS, refer Note 45.0.

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

### **3.2- Basis of consolidation**

The consolidated financial statements relate to the Group. Subsidiary companies are those companies in which the Parent directly or indirectly, has interest of more than 50% of the voting power or otherwise control the composition of the Board, governing body so as to obtain economic benefits from activities. The consolidated financial statements have been prepared on the following basis:-

- a) The financial statements of the subsidiary company are combined on a line-by-line basis by adding together the like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Ind AS 110 –'Consolidated Financial Statements' notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
- b) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the companies' separate financial statements.

### **3.3- Property, Plant and Equipment**

On transition to Ind AS, the Company has adopted exception with respect to fair valuation of property, plant and equipment, refer Note 45.0 for Ind AS transition election and exemptions.

Property, plant and equipment subsequent to initial recognition on transition are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

# Jindal Intellicom Limited

---

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives. The residual values and useful lives of the assets are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively. Estimated useful lives of the assets are as follows:

Category of Assets	Years
- Buildings	15 - 60
- Furniture and fixtures	5 - 20
- Vehicles	10
- Office equipment	3 - 15
- Computer and other equipment	3 - 25

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

The Company has reviewed the remaining useful life of its assets, considering the physical condition of the assets and benchmarking analysis.

### 3.4- Intangible Assets

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

Software are capitalised at the amounts paid to acquire the respective licenses for use and are amortised over the period of license, generally not exceeding six years on straight line method.

### 3.5- Impairment of Non-current Assets

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

Impairment losses are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

# Jindal Intellicom Limited

---

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

## 3.6- Cash and cash equivalents

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

For the purpose of the Statement of Cash Flows, cash and cash equivalents include outstanding bank overdrafts shown as borrowings in current liabilities in the Balance Sheet and which are considered an integral part of the Company's cash management.

## 3.7- Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

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

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

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

Subsequent recoveries of amounts previously written off are credited to other Income.

# Jindal Intellicom Limited

---

## 3.8- Leases

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

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

### **Finance lease**

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

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

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

The Company reviews the terms and conditions of the lease arrangements and determines that all risks and rewards of ownership lie with the Company and accounts for the contracts as finance leases.

### **Operating lease**

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

# Jindal Intellicom Limited

---

## 3.9- Employee Benefits

- a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.
- b) Leave encashment being a short term benefit is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the period in which they arise.
- c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.
- d) Company's contributions payable to the National Pension Scheme, which is a defined contribution plan, is recognized as expense in the Statement of Profit and Loss.
- e) The cost of providing gratuity, a defined benefit plan, is determined using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. Other costs are accounted for in the Statement of Profit and Loss.

## 3.10- Foreign currency translation

### (a) Functional and presentation currency

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

### (b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date with resulting exchange difference recognised as profit or loss.

## 3.11- Financial instruments – initial recognition, subsequent measurement and impairment

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

# Jindal Intellicom Limited

---

## **a. Financial Assets**

All financial assets, except those classified as fair value through profit or loss, are recognised initially at fair value, plus transaction costs that are attributable to the acquisition of the financial asset. Financial assets classified at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss. Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. The classification of investments and financial assets is determined on the Company's business model for managing the financial assets, and the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets depends upon initial categorisation. For impairment purposes, significant financial assets are tested on an individual basis and other financial assets are assessed collectively in groups that share similar credit risk characteristics. Financial assets are classified in three categories for their subsequent recognition and impairment as below:

### **i) Fair value through profit or loss (FVTPL)**

#### **Subsequent recognition**

Loans and receivables are non-derivative financial assets with fixed or determinable payments. At initial recognition, the Company measures the trade receivables at their transaction price. Trade receivables do not carry any interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Investment and financial assets at fair value through profit or loss are at each reporting date stated at fair value with all the changes recognized in the Statement of Profit and Loss.

#### **Impairment**

For equity investments classified as fair value through profit or loss, the Company uses the criteria referred in (a) above, the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is recognised in the Statement of Profit and Loss. Subsequent increase in fair value of security is reversed through the Statement of Profit and Loss.

The allowance accounts in respect of trade and other receivables are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly.

## ii) Fair value through other comprehensive income (FVOCI)

### Subsequent recognition

Investments and financial assets at fair value through other comprehensive income are at each reporting date stated at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On de-recognition of the financial asset, other than equity instruments classified as FVOCI, cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss.

### Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as fair value through OCI, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from “other comprehensive income” and recognised in the Statement of Profit and Loss. Impairment losses recognised in the Statement of Profit and Loss on equity instruments are not reversed through the Statement of Profit and Loss. If, in a subsequent period, the fair value of a debt instrument classified as fair value through OCI, increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the Statement of Profit and Loss.

## iii) Amortised cost

### Subsequent recognition

Investments and financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss.

### Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The Company first assesses whether objective evidence of impairment exists.

## Jindal Intellicom Limited

---

For loans and receivables category, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the Statement of Profit and Loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of Profit and Loss.

### **De-recognition**

A financial asset (or, a part of a financial asset) is primarily derecognised when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### **b) Financial Liabilities**

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

Financial liabilities are classified in two categories and subsequent measurement of financial liabilities depends upon initial categorisation. These categories and their classification is as follows:

# Jindal Intellicom Limited

---

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

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

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

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

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

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

Where the terms of a financial liability are renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the Statement of Profit and Loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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

### **Trade and other payables**

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

# Jindal Intellicom Limited

---

## **De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other income or finance costs.

## **3.12- Derivative financial instruments and hedging activities**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

## **3.13- Equity share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new equity shares are shown in equity as a deduction, net of tax, from the proceeds.

## **3.14- Borrowing costs**

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

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

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

## **3.15- Taxation**

Income tax expense represents the sum of current and deferred tax including Minimum Alternative Tax (MAT). Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax, which may be due to change in tax rate, on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

## Jindal Intellicom Limited

---

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

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

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

MAT is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period

### **3.16- Revenue recognition and other income**

#### **Sale of services**

Revenue is recognized to the extent that it is possible that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company has following streams of revenue:

- a) Business Process Outsourcing Services which comprise of call center, back office and other support services. The revenue from these sale of services which are continuous in nature is recognized on periodic basis.
- b) Information Technology Services which comprise of software development and support services, IT maintenance and other development services. The revenue from sale of these services is recognized on periodic basis in case of continuous supply of services and in case of others, on the basis of completion of service.

# Jindal Intellicom Limited

---

## Other Income

### a) Interest

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

### b) Lease rentals

Lease rentals on sub-letting are accounted for on accrual basis in accordance with the respective lease agreements.

## 3.17- Dividend distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

## 3.18- Earnings per share

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

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

## 3.19- Provisions and contingencies

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

Contingent Liabilities are not recognized but are disclosed in the Notes to Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

# Jindal Intellicom Limited

---

## 3.20- Exceptional items

Exceptional items refer to items of income or expense within the Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

## 3.21- Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

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

## 4.0- Critical accounting estimates, assumptions and judgements

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

### (a) Property, plant and equipment

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

# Jindal Intellicom Limited

---

On transition to Ind AS, the Company has adopted exception for fair valuation of property, plant and equipment. Impact of fair valuation is provided in Note 45.0. Subsequent to fair valuation, depreciation has been charged on fair valued amount less estimated salvage value. On transition to Ind AS, the Company has revisited useful life of various categories of assets. The impact of revision in estimate of useful life of various assets is provided in Note 5.0. Property, plant and equipment also represent a significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

## **(b) Intangible assets**

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

Before transition to Ind AS, the Company has revisited the useful life of the assets and the impact of change in life on transition is considered in opening carrying values. All intangible assets are carried at net book value on transition. Refer Notes 6.0 and 45.0 for impact of change in life on transition and accumulated depreciation netted off against the opening carrying values.

## **(c) Income tax**

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

## **(d) Contingencies**

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

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

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

## **(f) Insurance claims**

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

# Jindal Intellicom Limited

## 5.0- Property, plant and equipment

(Rs. In '000)

Particulars	Building	Furniture and Fixtures	Vehicles	Office Equipments	Computer	Total
<b>Gross Block</b>						
As at 1st April, 2014	105,693.96	2,710.05	7,955.62	10,369.29	9,578.41	136,307.33
Additions	458.90	60.07	995.40	2,334.88	3,077.72	6,926.97
Acquisition through business combination	-	-	-	-	-	-
Disposal/adjustments	-	20.48	153.91	2.09	5.33	181.81
Currency translation	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
<b>As at 31st March, 2015</b>	<b>106,152.86</b>	<b>2,749.64</b>	<b>8,797.11</b>	<b>12,702.08</b>	<b>12,650.80</b>	<b>143,052.49</b>
Additions	15,239.15	2,167.28	1,748.21	5,468.99	9,316.34	33,939.97
Acquisition through business combination	-	-	-	-	-	-
Disposal/adjustments	-	-	541.28	-	-	541.28
Transferred to held for sale	-	-	-	-	-	-
Currency translation	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
<b>As at 31st March, 2016</b>	<b>121,392.01</b>	<b>4,916.92</b>	<b>10,004.04</b>	<b>18,171.07</b>	<b>21,967.14</b>	<b>176,451.18</b>
<b>Accumulated Depreciation</b>						
As at 1st April, 2014						
Charge for the period	7,089.10	1,097.76	1,227.98	2,115.51	2,998.30	14,528.65
Disposal/adjustments	-	-	24.23	0.95	-	25.18
Currency translation	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
<b>As at 31st March, 2015</b>	<b>7,089.10</b>	<b>1,097.76</b>	<b>1,203.75</b>	<b>2,114.56</b>	<b>2,998.30</b>	<b>14,503.47</b>
Charge for the period	7,596.07	584.04	1,359.49	2,115.87	3,391.80	15,047.27
Disposal/adjustments	-	-	207.33	-	-	207.33
Transferred to held for sale	-	-	-	-	-	-
Currency translation	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
<b>As at 31st March, 2016</b>	<b>14,685.17</b>	<b>1,681.80</b>	<b>2,355.91</b>	<b>4,230.43</b>	<b>6,390.10</b>	<b>29,343.41</b>
<b>Net carrying amount</b>						
As at 1st April, 2014	105,693.96	2,710.05	7,955.62	10,369.29	9,578.41	136,307.33
As at 31st March, 2015	99,063.76	1,651.88	7,593.36	10,587.52	9,652.50	128,549.02
As at 31st March, 2016	106,706.84	3,235.12	7,648.13	13,940.64	15,577.04	147,107.77

The Company has taken borrowings from bank which carry charge over the above assets (refer Note 22.0 for details towards security).

On transition to Ind AS, assets of various categories are fair valued (refer Note 45.0)

# Jindal Intellicom Limited

## 6.0- Intangible Assets

(Rs. In '000)	
Particulars	Software
<b>Cost</b>	
As at 1st April, 2014	2,647.93
Additions	1,801.99
Acquisition through business combination	-
Disposal/adjustments	-
Currency translation	-
Reclassifications	-
<b>As at 31st March, 2015</b>	<b>4,449.92</b>
Additions	3,713.89
Acquisition through business combination	-
Disposal/adjustments	-
Transferred to held for sale	-
Currency translation	-
Reclassifications	-
<b>As at 31st March, 2016</b>	<b>8,163.81</b>
<b>Accumulated Depreciation</b>	
As at 1st April, 2014	
Charge for the period	1,533.66
Disposal/adjustments	-
Currency translation	-
Reclassifications	-
<b>As at 31st March, 2015</b>	<b>1,533.66</b>
Charge for the period	1,515.46
Disposal/adjustments	-
Transferred to held for sale	-
Currency translation	-
Reclassifications	-
<b>As at 31st March, 2016</b>	<b>3,049.12</b>
<b>Net carrying amount</b>	
As at 1st April, 2014	2,647.93
As at 31st March, 2015	2,916.26
As at 31st March, 2016	5,114.69

On transition to Ind AS, Intangibles are carried at net block, the accumulated depreciation on transition was Rs. 37,837.93.

# Jindal Intellicom Limited

## 7.0- Non-current Investments

Particulars	Designation	As at 31st March, 2016				As at 31st March, 2015			
		Units	Face Value	Amount (Rs. in '000)		Units	Face Value	Amount (Rs. in '000)	
				Cost	Carrying Value			Cost	Carrying Value
<b>Non-Current Investment - NON TRADE</b>									
<b>A. Investment in equity shares - Unquoted (at fair value)</b>									
Jindal System Private Limited	FVOCI	500	100	150.00	3,459.02	500	100	150.00	3,459.02
		500		150.00	3,459.02	500		150.00	3,459.02
<b>B. Investment in mutual funds - Unquoted (At fair value)</b>									
a) Birla Sun Life Medium Term Plan	FVOCI	832,145	10	15,000.00	15,513.34	-	10	-	-
b) Franklin India Corporate Bond Opportunities Fun (G)	FVOCI	1,097,864	10	15,000.00	16,560.17	1,097,864	10	15,000.00	15,476.80
c) HDFC Corp Debt Opportunities Fund (G)	FVOCI	1,372,487	10	15,000.00	16,842.88	1,372,487	10	15,000.00	15,438.42
d) IDFC Super Saver Income Fund Medium Term Plan-Growth	FVOCI	-	-	-	-	279,457	10	6,500.00	6,583.31
e) Reliance Corporate Bond Fund (G)	FVOCI	1,970,055	10	20,000.00	23,326.44	1,970,055	10	20,000.00	21,537.04
f) Reliance Regular Savings Fund-Debt	FVOCI	752,434	10	15,000.00	15,538.44	-	10	-	-
g) DSP BlackRock Fund FMP Ser 192-36M Reg-G	FVOCI	1,000,000	10	10,000.00	10,243.00	-	10	-	-
h) ICICI Prudential FMP Series 75 - 1100 D Reg (G)	FVOCI	1,250,000	10	12,500.00	14,413.13	1,250,000	10	12,500.00	13,377.12
i) Indiabulls FMP Series V - (Plan 1) - 1175D Reg (G)	FVOCI	700,000	10	7,000.00	7,024.22	-	10	-	-
		<b>8,974,985</b>		<b>109,500.00</b>	<b>119,461.62</b>	<b>5,969,862</b>		<b>69,000.00</b>	<b>72,412.69</b>
<b>Total</b>		<b>8,975,485</b>		<b>109,650.00</b>	<b>122,920.64</b>	<b>5,970,362</b>		<b>69,150.00</b>	<b>75,871.71</b>

## 8.0- Other Non-current Financial Assets

Particulars	As at 31st March, 2016 (Rs. In '000)	As at 31st March, 2015 (Rs. In '000)
<b>Security Deposits</b> <i>(Unsecured considered good)</i>	415.17	650.17
<b>Bank Deposits with more than 12 months maturity</b> <i>(Unsecured considered good)</i>		
- Margin deposits**	-	1,000.00
- Other deposits	188.47	2,188.47
Interest accrued on above bank deposits	53.42	505.61
<b>Total</b>	<b>657.06</b>	<b>4,344.25</b>

\*\* Pledged with bank for issuance of bank guarantee

# Jindal Intellicom Limited

## 9.0- Deferred Tax Assets / (Liabilities) – Net

Particulars	As at 31st March, 2016 (Rs. In '000)	As at 31st March, 2015 (Rs. In '000)
<b>A. Deferred tax assets</b>		
(i) Disallowance under Income Tax Act, 1961	7,895.38	7,567.46
<b>Total Deferred tax assets</b>	<b>7,895.38</b>	<b>7,567.46</b>
<b>B. Deferred tax liabilities</b>		
(i) Difference between book and tax base related to fixed assets	9,168.60	8,288.56
(ii) Others	3,849.64	1,638.59
<b>Total Deferred tax liabilities</b>	<b>13,018.24</b>	<b>9,927.15</b>
<b>Net asset/(liabilities) due to temporary differences</b>	<b>(5,122.86)</b>	<b>(2,359.69)</b>
MAT credit entitlement	4,306.60	7,498.94
<b>Total Deferred tax assets/(liabilities) (net)</b>	<b>(816.26)</b>	<b>5,139.25</b>

### Net increase / (decrease) in deferred tax liabilities represented by

- Deferred tax liabilities/(assets) provided during the year in the Statement of Profit and Loss	1,022.99	(2,241.85)
- Deferred tax liabilities provided during the year in the Other Comprehensive Income	1,740.18	548.29
<b>Total</b>	<b>2,763.17</b>	<b>(1,693.56)</b>

## 10.0- Other Non-current Assets

Particulars	As at 31st March, 2016 (Rs. In '000)	As at 31st March, 2015 (Rs. In '000)
Capital advances (unsecured, considered good)	275.07	3,484.28
Prepaid expenses	881.80	208.35
<b>Total</b>	<b>1,156.87</b>	<b>3,692.63</b>

# Jindal Intellicom Limited

## 11.0- Current Investments

(Rs. in '000)

Particulars	Designation	As at 31st March, 2016			As at 31st March, 2015		
		Units	Cost	Carrying Value	Units	Cost	Carrying Value
<b>SHORT TERM INVESTMENTS</b>							
Investments in Mutual Funds - Unquoted (At fair value)							
a) IDBI Liquid Fund - Direct Plan - Growth	FVTPL	7,250.64	11,681.82	11,771.72	-	-	-
b) Reliance Liquidity Fund - Growth Plan	FVTPL	4,424.84	10,000.00	10,077.74	-	-	-
<b>Total</b>		<b>11,675.48</b>	<b>21,681.82</b>	<b>21,849.46</b>	-	-	-

## 12.0- Current Trade Receivables

Particulars	As at 31st March, 2016 (Rs. In '000)	As at 31st March, 2015 (Rs. In '000)
<b>Unsecured</b>		
Considered good	52,989.57	47,337.12
Considered doubtful	-	664.17
Less: Provision for doubtful debts	-	(664.17)
<b>Total</b>	<b>52,989.57</b>	<b>47,337.12</b>

The ageing analysis of these trade receivables is as follows:

### As at 31<sup>st</sup> March, 2016

(Rs. In '000)

Particulars	Not due	Less than 6 months	6 to 12 months	More than 12 months	Total
<u>Trade receivables</u>					
Unsecured	24,447.68	28,541.89	-	-	52,989.57

### As at 31<sup>st</sup> March, 2015

(Rs. In '000)

Particulars	Not due	Less than 6 months	6 to 12 months	More than 12 months	Total
<u>Gross Trade receivable</u>					
Unsecured	19,679.55	17,140.58	2,370.16	8,811.00	48,001.29
Less: Provision for impairment	-	(102.76)	(474.03)	(87.38)	(664.17)
<b>Net Trade Receivable</b>	<b>19,679.55</b>	<b>17,037.82</b>	<b>1,896.13</b>	<b>8,723.62</b>	<b>47,337.12</b>

## Jindal Intellicom Limited

Movements of the provision for impairment of trade receivables are as follows:

Particulars	As at 31st March, 2016 (Rs. In '000)	As at 31st March, 2015 (Rs. In '000)
Opening provision	664.17	1,012.61
Addition to provision during the year	-	664.17
Reversal of provision during the year	(664.17)	(1,012.61)
<b>Closing provision</b>	<b>-</b>	<b>664.17</b>

### 13.0- Cash and Cash Equivalents

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Cheques in hand	3,776.64	207.03
Cash in hand	243.95	99.39
Balances with banks in current accounts	4,892.85	10,537.58
<b>Total</b>	<b>8,913.44</b>	<b>10,844.00</b>

Cash is at free disposal of the Company.

The carrying amounts of the Cash and cash equivalents are denominated in the Indian Rupees.

### 14.0- Other Bank Balances

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Fixed deposits <i>(with remaining maturity of less than 12 months and other than those considered in cash and cash equivalents)</i>	3,190.76	41,176.33
<b>Total</b>	<b>3,190.76</b>	<b>41,176.33</b>

Other Bank Balances are at free disposal of the Company. Deposits of the Company have an average effective interest rate of 8.84% per annum (Previous year 9.26% per annum).

The carrying amounts of the Other Bank Balances are denominated in the Indian Rupees.

# Jindal Intellicom Limited

## 15.0- Loans

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Unsecured, considered good		
Loans to employees	-	66.33
<b>Total</b>	<b>-</b>	<b>66.33</b>

## 16.0- Other Financial Assets

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Insurance claim receivable	1,644.10	-
Receivable from related parties*	376.97	1,193.88
Receivable from other parties	356.74	681.30
Interest accrued but not due on bank fixed deposits	750.87	3,291.84
Derivative financial assets	2,628.61	569.23
Unbilled revenue	316.00	36.42
<b>Total</b>	<b>6,073.29</b>	<b>5,772.67</b>

### \* Receivable from related parties includes

- Jindal ITF Ltd.	92.35	29.19
- Jindal Saw Ltd	-	894.80
- JITF Water Infrastructure Ltd.	284.62	269.89
<b>Total</b>	<b>376.97</b>	<b>1,193.88</b>

## 17.0- Current Tax Assets (Net)

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Income tax paid in advance	26,465.22	20,556.60
Less : Provision for taxation	24,640.05	17,407.45
<b>Total</b>	<b>1,825.17</b>	<b>3,149.15</b>

# Jindal Intellicom Limited

## 18.0- Other Current Assets

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
<b>Unsecured, considered good</b>		
Advance to related party*	-	105.00
Advances to vendors	679.74	503.19
Advances to employees	29.01	201.15
Balances with Central Excise / Sales tax authorities	2,189.00	2,495.58
Advances recoverable in cash or kind	4,217.34	3,509.07
<b>Total</b>	<b>7,115.09</b>	<b>6,813.99</b>

\*Includes:

Rent advance to Jindal Saw Limited	-	105.00
------------------------------------	---	--------

## 19.0- Share Capital and Premium

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
<b>Authorized</b>		
(i) 12,000,000 Equity Shares of Rs. 10/- each	120,000.00	120,000.00
	<b>120,000.00</b>	<b>120,000.00</b>
<b>Issued</b>		
(i) 10,910,000 (previous year 10,910,000) Equity Shares of Rs. 10/- each	109,100.00	109,100.00
	<b>109,100.00</b>	<b>109,100.00</b>
<b>Subscribed and Fully Paid-Up</b>		
(i) 10,910,000 (previous year 10,910,000) Equity Shares of Rs. 10/- each	109,100.00	109,100.00
	<b>109,100.00</b>	<b>109,100.00</b>

### a) Reconciliation of number of shares

Equity Shares	As at 31st March, 2016	As at 31st March, 2016
Shares outstanding as at the beginning of the year	10,910,000	10,910,000
Add: Fresh issue of shares	-	-
Add: Issue of bonus shares	-	-
Shares outstanding as at the end of the year	10,910,000	10,910,000

## Jindal Intellicom Limited

### b) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No of Shares	% of holding	No of Shares	% of holding
JITF Shipyards Limited	10,776,770	98.78%	10,776,770	98.78%
	<b>10,776,770</b>	<b>98.78%</b>	<b>10,776,770</b>	<b>98.78%</b>

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date

Nil                      Nil

### d) Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having at par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share and dividend in proportion to the number of equity shares held.

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

## 20.0- Other Equity

### a) Retained Earnings

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Balance as per last financial statements	162,936.58	135,195.03
Add: Profit after tax transferred from Statement of Profit and Loss	22,965.68	27,741.55
<b>Closing Balance</b>	<b>185,902.26</b>	<b>162,936.58</b>

Retained earnings represent the undistributed profits of the Company.

### b) Other Comprehensive Income (OCI) Reserve

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Balance as per last financial statements	2,372.09	1,009.45
Add: Addition during the year	5,636.68	1,362.64
<b>Closing Balance</b>	<b>8,008.77</b>	<b>2,372.09</b>

## Jindal Intellicom Limited

OCI Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into a) Items that will not be reclassified to profit or loss b) Items that will be reclassified to profit or loss.

### c) Securities Premium Reserve

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Balance as per last financial statements	4,450.00	4,450.00
Add: Addition during the year	-	-
Less: Deduction/ transfer during the year	-	-
<b>Closing Balance</b>	<b>4,450.00</b>	<b>4,450.00</b>

Security premium represents the amount received in excess of par value of equity shares. Section 52 of Companies Act, 2013 specify restriction and utilisation of security premium.

<b>Total - Other Equity</b>	<b>198,361.03</b>	<b>169,758.67</b>
-----------------------------	-------------------	-------------------

### 21.0- Provisions

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Provision for gratuity	7,471.05	8,822.25
Provision for leave encashment	4,510.94	6,692.40
<b>Total</b>	<b>11,981.99</b>	<b>15,514.65</b>

### 22.0- Borrowings

#### Secured (From Banks)

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Working capital borrowings	6,051.93	5,976.47

Secured short term borrowings:

Short term borrowing in cash credit account is payable on demand and secured by way of hypothecation of book debts and exclusive charge on fixed assets of the Company and negative lien on the building constructed by the Company on land owned by ultimate holding company, Jindal Saw Limited.

## Jindal Intellicom Limited

The Company has the following undrawn borrowing facilities (unused lines of credit) \*:

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Secured - Cash credit facility	18,948.07	19,023.53

\*Excluding non-fund based facilities.

### 23.0- Trade Payables

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Trade Payables (including acceptances)		
- Micro, small and medium enterprises	-	-
- Others	11,646.90	11,219.47
<b>Total</b>	<b>11,646.90</b>	<b>11,219.47</b>

### 24.0- Other Financial Liabilities

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Capital creditors	3,257.79	1,626.64
Security deposits received from vendors	-	128.00
Dues to employees	25,336.98	14,917.87
<b>Total</b>	<b>28,594.77</b>	<b>16,672.51</b>

### 25.0- Other Current Liabilities

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Advance from customer	159.02	-
Other payables		
- Statutory dues	3,416.90	4,065.09
- Provision for Wealth tax	-	32.69
<b>Total</b>	<b>3,575.92</b>	<b>4,097.78</b>

# Jindal Intellicom Limited

## 26.0- Provisions

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Provision for gratuity	6,554.45	5,151.58
Provision for leave encashment	3,335.88	878.56
<b>Total</b>	<b>9,890.33</b>	<b>6,030.14</b>

## 27.0- Revenue from Operations

Particulars	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
Business process outsourcing services	324,029.13	277,814.11
Information technology services	25,947.66	20,450.25
<b>Total</b>	<b>349,976.79</b>	<b>298,264.36</b>

## 28.0- Other Income

Particulars	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
Interest income	2,207.63	7,164.57
Net gain on sale of current investments	1,236.67	140.97
Rent received from sub-letting	12,310.56	5,711.04
Bad-debts recovered	-	3.06
Miscellaneous balances written back	66.87	408.31
Other non-operating income	358.02	1,025.44
Provision for doubtful debts written back	664.17	348.43
Profit on sale of fixed assets	116.05	-
Net gain on foreign currency transactions and translation	3,456.88	4,703.60
Unrealised gain or loss on fair valuation of investments through profit or loss	167.64	-
<b>Total</b>	<b>20,584.49</b>	<b>19,505.42</b>

# Jindal Intellicom Limited

## 29.0- Employee Benefit Expenses

Particulars	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
Salaries	217,352.75	180,451.35
Contribution to Provident and other funds	8,610.03	5,340.53
Staff welfare expenses	5,927.48	5,710.52
<b>Total</b>	<b>231,890.26</b>	<b>191,502.40</b>

## 30.0- Finance Costs

Particulars	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
Interest on bank borrowings	38.69	61.13
Bank and finance charges	471.21	452.03
Other interest	58.40	28.08
<b>Total</b>	<b>568.30</b>	<b>541.24</b>

## 31.0- Depreciation and Amortization Expenses

Particulars	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
<b>Depreciation</b>		
Building	7,596.07	7,089.10
Furniture and fixtures	584.04	1,097.76
Vehicles	1,359.49	1,227.98
Office equipments	2,115.87	2,115.51
Computer	3,391.80	2,998.30
<b>Amortization Expenses</b>		
Software	1,515.46	1,533.66
<b>Total</b>	<b>16,562.73</b>	<b>16,062.31</b>

## Jindal Intellicom Limited

### 32.0- Other Expenses

Particulars	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
Rent	5,654.02	5,643.36
Power and fuel expenses	13,523.05	9,403.14
Rates and taxes	53.53	52.02
Insurance	2,812.03	2,392.05
Housekeeping expenses	4,260.94	3,289.87
Security expenses	4,349.60	3,625.28
Repairs to buildings	777.98	686.22
Repairs to equipment	6,219.26	5,725.15
Other repair and maintenance	586.02	1,777.28
Travelling and conveyance	5,892.82	5,528.83
Vehicle upkeep and maintenance expenses	3,094.75	2,145.98
Postage and telephones	1,468.69	1,331.28
Telecommunication link expenses	15,159.20	17,325.29
Legal and professional fees and expenses	895.85	907.35
Auditor's remuneration	406.25	328.88
Selling expenses	2,248.01	1,111.94
Bad debts written off	11,765.42	837.16
Loss on sale/discard of fixed assets	-	7.69
Miscellaneous expenses	7,958.96	5,276.51
<b>Total</b>	<b>87,126.38</b>	<b>67,395.28</b>

### 33.0- Financial Risk Management

#### 33.1- Financial risk factors

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company also enters into derivative transactions.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes.

# Jindal Intellicom Limited

---

Risk management is carried out by the treasury department under policies approved by the Board of Directors. The treasury team identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The Company's activities expose it to a variety of financial risks:

**a) Market risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as at 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses derivative financial instruments such as foreign exchange forward contracts of varying maturity depending upon the underlying contract and risk management strategy to manage its exposures to foreign exchange fluctuations.

**i) Foreign exchange risk and sensitivity**

The Company transacts business in local currency and in foreign currency. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge, as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management. Foreign exchange hedging contracts are carried at fair value.

The following table demonstrates the sensitivity in the USD to the functional currency with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives hedging contracts is given below:

## Jindal Intellicom Limited

Particulars	Change in currency exchange rate	Effect on Profit Before Tax (Rs. In '000)	Effect on Equity (OCI) (Rs. In '000)
<b>For the year ended 31st March, 2016</b>			
USD	+ 5%	1,538.08	-
	- 5%	(1,538.08)	-
GBP	+ 5%	(0.03)	-
	- 5%	0.03	-
<b>For the year ended 31st March, 2015</b>			
USD	+ 5%	1,798.99	-
	- 5%	(1,798.99)	-
GBP	+ 5%	1.56	-
	- 5%	(1.56)	-

### ii) Interest rate risk and sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt interest obligations. Further, the Company engages in financing activities at market linked rates, any changes in the interest rates environment may impact future rates of borrowing.

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

Interest rate sensitivity	Increase / Decrease in basis points	Effect on Profit Before Tax (Rs. In '000)	Effect on Equity (OCI) (Rs. In '000)
<b>For the year ended 31st March, 2016</b>			
INR borrowings	+50	(30.26)	-
	-50	30.26	-
<b>For the year ended 31st March, 2015</b>			
INR borrowings	+50	(29.88)	-
	-50	29.88	-

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

### b) Credit risk:

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

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including investment with mutual fund and deposits with banks.

# Jindal Intellicom Limited

## - Trade receivables:

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. The Company has taken credit insurance cover on its receivables to mitigate its credit risk to a large extent. Moreover the Company has also taken advances from its customers, which mitigate the credit risk to an extent.

The ageing analysis of the trade receivables as on the reporting date is as follows:

As at 31<sup>st</sup> March, 2016

(Rs. In '000)

Particulars	Not due	Less than 6 months	6 to 12 months	More than 12 months	Total
<b>Trade receivables</b>					
Unsecured	24,447.68	28,541.89	-	-	52,989.57

As at 31<sup>st</sup> March, 2015

(Rs. In '000)

Particulars	Not due	Less than 6 months	6 to 12 months	More than 12 months	Total
<b>Gross Trade receivable</b>					
Unsecured	19,679.55	17,140.58	2,370.16	8,811.00	48,001.29
Less: Provision for impairment	-	(102.76)	(474.03)	(87.38)	(664.17)
Net Trade Receivable	19,679.55	17,037.82	1,896.13	8,723.62	47,337.12

## - Financial instruments and cash deposits:

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

### c) Liquidity risk:

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

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

# Jindal Intellicom Limited

The table below provides the Company's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date. The maturity profile based on undiscounted cash flows is as under:

As at 31st March, 2016

(Rs. In '000)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	More than 12 months	Total
Interest bearing borrowings	6,051.93	6,051.93	-	-	-	6,051.93
Other liabilities	28,594.77	20,883.58	7,711.19	-	-	28,594.77
Trade and other payables	11,646.90	1,213.88	10,433.02	-	-	11,646.90
<b>Total</b>	<b>46,293.60</b>	<b>28,149.39</b>	<b>18,144.21</b>	-	-	<b>46,293.60</b>

As at 31st March, 2015

(Rs. In '000)

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	More than 12 months	Total
Interest bearing borrowings	5,976.47	5,976.47	-	-	-	5,976.47
Other liabilities	16,672.51	13,761.23	2,911.28	-	-	16,672.51
Trade and other payables	11,219.47	1,137.91	10,081.56	-	-	11,219.47
<b>Total</b>	<b>33,868.45</b>	<b>20,875.61</b>	<b>12,992.84</b>	-	-	<b>33,868.45</b>

The Company is required to maintain ratios (including current ratio, total outside liabilities to total net worth) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders, except where exemption is provided by lender.

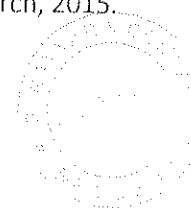
#### d) Competition and price risk:

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality services and by continuously upgrading its expertise and range of services to meet the needs of its customers.

The Company faces risk pertaining to change of policies of foreign countries where services are being rendered by the Company which can have impact on the financials of the Company. However, the Company do not foresee any significant change in the said policies in short to medium-term.

#### e) Capital risk management

The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure in light of changes in economic conditions or its business requirements, the Company may adjust any dividend payments, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015.



# Jindal Intellicom Limited

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

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Loans and Borrowings (A)	6,051.93	5,976.47
Equity share capital	109,100.00	109,100.00
Capital and debt (B)	115,151.93	115,076.47
Gearing Ratio (A/B)	5.26%	5.19%

## 34.0- Fair Value of Financial Assets and Liabilities

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Carrying amount (Rs. in '000)	Fair Value (Rs. in '000)	Carrying amount (Rs. in '000)	Fair Value (Rs. in '000)
<b>Financial Assets</b>				
<b>Assets carried at fair value through</b>				
<b>OCI - Non current</b>				
<b>Investment</b>				
- In equity shares	3,459.02	3,459.02	3,459.02	3,459.02
- In mutual funds and others	119,461.63	119,461.63	72,412.69	72,412.69
<b>Assets carried at fair value through</b>				
<b>Profit and Loss- Current</b>				
<b>Derivatives - not designated as hedging instruments</b>				
- Forward contracts	2,628.61	2,628.61	569.23	569.23
<b>Investment</b>				
- In equity shares	-	-	-	-
- In mutual funds and others	21,849.46	21,849.46	-	-
<b>Assets carried at amortised cost -</b>				
<b>Non Current</b>				
Fixed deposits with banks	188.47	218.87	3,188.47	3,351.41
Other financial assets	468.58	468.58	1,155.78	1,155.78
<b>Assets carried at amortised cost -</b>				
<b>Current</b>				
Fixed deposits with banks	3,190.76	3,921.25	41,176.33	49,347.42
Cash and bank balances	8,913.44	8,913.44	10,844.00	10,844.00
Loans and advances interest bearing	-	-	66.33	66.33
Trade and other receivables	52,989.57	52,989.57	47,337.12	47,337.12
Other financial assets	3,444.68	3,444.68	5,203.44	5,203.44
<b>Total</b>	<b>216,594.22</b>	<b>217,355.11</b>	<b>185,412.41</b>	<b>193,746.44</b>

## Jindal Intellicom Limited

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Carrying amount (Rs. in '000)	Fair Value (Rs. in '000)	Carrying amount (Rs. in '000)	Fair Value (Rs. in '000)
<b>Financial Liabilities</b>				
<b>Liabilities carried at amortised cost</b>				
Borrowings - Floating rate	6,051.93	6,051.93	5,976.47	5,976.47
Trade & other payables	11,646.90	11,646.90	11,219.47	11,219.47
Other financial liabilities	28,594.77	28,594.77	16,672.51	16,672.51
<b>Total</b>	<b>46,293.60</b>	<b>46,293.60</b>	<b>33,868.45</b>	<b>33,868.45</b>

### Fair Values

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

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

- 1- Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- 2- Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31<sup>st</sup> March, 2016, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.
- 3- The fair values of derivatives are estimated by using pricing models, where the inputs to those models are based on readily observable market parameters. The valuation models used by the Company reflect the contractual terms of the derivatives, including the period to maturity, and market-based parameters such as interest rates, foreign exchange rates, and volatility. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement, and inputs thereto are readily observable from actively quoted market prices. Management has evaluated the credit and non-performance risks associated with its derivative counterparties and believe them to be insignificant and not warranting a credit adjustment.
- 4- Ind AS 101 allows Company to fair value property, plant and equipment on transition to Ind AS. The Company has fair valued various categories of property, plant and equipment, and the fair valuation is based on replacement cost approach.

# Jindal Intellicom Limited

## Fair Value hierarchy

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).
- First time adoption - Property, plant and equipment and Investments

Derivative assets and liabilities included in Level 2 primarily represent foreign currency forwards.

Fair value of unquoted mutual funds is based on net asset value (NAV) published by respective fund houses at the reporting date.

The fair value of unquoted investment, where the Company does not have control or significant influence, is valued on the basis of latest available net worth of the company.

As at 31<sup>st</sup> March, 2016

	(Rs. in '000)		
	Level 1	Level 2	Level 3
<b>Financial assets</b>			
Derivatives - not designated as hedging instruments			
- Forward contracts	-	2,628.61	-
<b>Investment</b>			
- In mutual funds	141,311.08	-	-
- In equity shares	-	-	3,459.02
<b>Financial liabilities</b>			
Derivatives - not designated as hedging instruments			
- Forward contracts	-	-	-

# Jindal Intellicom Limited

As at 31<sup>st</sup> March, 2015

	(Rs. In '000)		
	Level 1	Level 2	Level 3
<b>Financial assets</b>			
Derivatives - not designated as hedging instruments			
- Forward contracts	-	569.23	-
<b>Investment</b>			
- In mutual funds	72,412.69	-	-
- In equity shares	-	-	3,459.02
<b>Financial liabilities</b>			
Derivatives - not designated as hedging instruments			
- Forward contracts	-	-	-

During the year ended 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

The fair value of financial instruments traded in active markets are based on quoted market prices at the balance sheet date and included in level 1.

The fair value of the financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Following table describes the valuation techniques used and key inputs to valuation within level 2 and 3, and quantitative information about significant unobservable inputs for fair value measurements within Level 3 of the fair value hierarchy as at 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015, respectively:

# Jindal Intellicom Limited

## a) Assets / Liabilities measured at fair value

Particulars	Fair value hierarchy	Valuation technique	Inputs used	Quantitative information about significant unobservable inputs
<b>Financial assets</b>				
Investment in mutual funds	Level 1	Published NAVs	Published NAVs	-
Investment in equity shares (unquoted )	Level 3	Net worth	Published financial statements	
<b>Derivatives - not designated as hedging instruments</b>				
- Forward contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, Interest rates to discount future cash flow	-
<b>Financial liabilities</b>				
<b>Derivatives - not designated as hedging instruments</b>				
- Forward contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates, Interest rates to discount future cash flow	-

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

Particulars	Fair value hierarchy	Valuation technique	Inputs used
<b>Financial assets</b>			
Fixed deposits with banks	Level 2	Market rate	Prevailing interest rates for the remaining contractual period of the deposits

## 35.0- Segment information

### Information about primary segment

The Company is engaged primarily into 'Business Process Outsourcing Services' and 'Information Technology Services'. The Company's primary segment as identified by management is 'Business Process Outsourcing Services', other activities not meeting the quantitative threshold as specified in Ind AS 108 are reported as 'Others'.

Segments have been identified taking into account the nature of services and differential risk and returns of these segments.

## Jindal Intellicom Limited

The following table present revenue and profit information and certain asset and liability information regarding the Company's reportable segments for the year ended 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015.

		Call Centre Services (Rs. in '000)	Software Services (Rs. in '000)	Unallocable (Rs. in '000)	Total (Rs. in '000)
<b>(A)</b>	<b>Segment Revenue</b>				
	External	324,029.13	25,947.66	20,584.49	370,561.28
	- Previous year	277,814.11	20,450.25	19,505.42	317,769.78
<b>(B)</b>	<b>Segment Results</b>				
	Profit/(Loss) before tax	156,336.16	12,383.41	(134,305.96)	34,413.61
	- Previous year	147,110.26	10,123.06	(114,964.77)	42,268.55
	Tax Expense				11,447.93
	- Previous year				14,527.00
	Net Profit after tax				22,965.68
	- Previous year				27,741.55
	<b>Segment Assets</b>	48,473.85	6,655.81	324,889.47	380,019.13
	- Previous year	42,974.20	4,627.92	290,767.57	338,369.69
	<b>Segment Liabilities</b>	16,217.18	2,258.07	54,082.85	72,558.10
	- Previous year	9,251.46	942.30	49,317.26	59,511.02

# Jindal Intellicom Limited

## Information about Geographical Segment – Secondary

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

		Within india (Rs. in '000)	Outside India (Rs. in '000)	Unallocable (Rs. in '000)	Total (Rs. in '000)
<b>(A)</b>	<b>Segment Revenue</b>				
	External	102,193.43	247,783.36	20,584.49	370,561.28
	- Previous year	36,944.70	261,319.66	19,505.42	317,769.78
<b>(B)</b>	<b>Segment Results</b>				
	Profit/(Loss) before tax	34,527.19	134,192.38	(134,305.96)	34,413.61
	- Previous year	7,371.65	149,861.67	(114,964.77)	42,268.55
	Tax Expense	-	-	-	11,447.93
	- Previous year	-	-	-	14,527.00
	Net Profit after tax	-	-	-	22,965.68
	- Previous year	-	-	-	27,741.55
	<b>Segment Assets</b>	20,729.26	34,400.40	324,889.47	380,019.13
	- Previous year	11,477.71	36,124.41	290,767.57	338,369.69
	<b>Segment Liabilities</b>	5,590.67	12,884.58	54,082.85	72,558.10
	- Previous year	3,319.49	6,874.27	49,317.26	59,511.02

### 36.0- Derivative financial instruments and hedging activities

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

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
<b>Other financial assets - Current</b>		
Derivative Financial Assets (Forward contracts)	2,628.61	569.23

#### Hedging activities

The Company has designated forward contracts as effective cash flow hedge for receivables expected to arise in subsequent period during 2014-15.

## Jindal Intellicom Limited

### Forward Contracts

The Company has foreign currency sale forward contracts to offset the risk of currency fluctuations. These contracts are for settlement of operational receivable. As at 31<sup>st</sup> March, 2016 outstanding contracts are for sale of USD 2.40 million (previous year USD 3.70 million).

### 37.0- Income-tax expenses

Particulars	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
<b>Current tax</b>		
- India	7,232.60	7,300.15
<b>Deferred tax</b>		
- Relating to origination & reversal of temporary differences	2,763.17	(1,693.56)
<b>Tax expense attributable to current year's profit</b>	9,995.77	5,606.59
<b>Adjustments in respect of Income tax of previous year</b>		
<b>Current tax</b>		
India	-	345.02
<b>Minmum alternate tax (MAT)</b>		
MAT credit utilisation	3,192.34	9,123.68
<b>Total tax expense</b>	<b>13,188.11</b>	<b>15,075.29</b>

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

Particulars	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
Net Income/(Loss) before taxes	34,413.61	42,268.55
Enacted tax rates	33.0630%	32.4450%
<b>Computed tax expense/(benefit)</b>	<b>11,378.17</b>	<b>13,714.03</b>
<b>Increase/(reduction) in taxes on account of:</b>		
Temporary differences reversing during the future tax period	(1,022.99)	2,241.85
Effect of change in income tax rate	50.45	0.89
Deferred tax recognized in respect of previous years	-	445.58
Tax on which no credit is allowed	19.31	21.50
<b>Income tax expense/(benefit) reported</b>	<b>10,424.94</b>	<b>16,423.85</b>

# Jindal Intellicom Limited

## 38.0- Deferred Income-tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Particulars	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
<b>Opening Net Deferred tax Asset/(Liabilities)</b>	5,139.25	12,896.65
Provision for impairment of trade receivables and advances	(215.49)	(585.68)
Losses available for offset against future taxable income	306.04	65.39
Post employment benefits	240.94	1,813.29
Minimum tax credit	(3,192.33)	(9,450.96)
Fair valuation of derivative instruments and unrealized exchange fluctuation	(684.41)	(184.68)
Fair valuation of investments	(1,526.64)	-
Others	(883.62)	585.24
<b>Closing net deferred tax assets/(liabilities)</b>	<b>(816.26)</b>	<b>5,139.25</b>

A net asset or liability is recorded based on the legal right (same jurisdiction) and intention to settle on a net basis or realise assets and liability simultaneously.

The gross movement on the Deferred Income tax account is as follows:

Particulars	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
Provision for Impairment of trade receivables and advances	(215.49)	(585.68)
Losses available for offset against future taxable income	306.04	-
Post employment benefits	240.95	1,813.29
Fair valuation of derivative instruments and unrealized exchange fluctuation	(684.41)	(184.68)
Fair valuation of investments	(1,526.64)	-
Others	(883.62)	588.94
<b>Net deferred tax expenses/(income)</b>	<b>(2,763.17)</b>	<b>1,631.87</b>

Summary of net Current Income tax liabilities / (assets) is as under:

Particulars	As at 31st March, 2016 (Rs. In '000)	As at 31st March, 2015 (Rs. In '000)
Provision for Income tax	24,640.05	17,407.45
Advance tax including TDS	(26,465.22)	(20,556.60)
<b>Net current Income tax liabilities/(assets)</b>	<b>(1,825.17)</b>	<b>(3,149.15)</b>

# Jindal Intellicom Limited

## Component of tax accounted in Other Comprehensive Income (OCI)

Particulars	Year ended 31 March, 2016 (Rs. in '000)	Year ended 31 March, 2015 (Rs. in '000)
<b>Components of tax in Other Comprehensive Income (OCI) on:</b>		
- Defined benefit plans	453.66	(434.86)
- Equity instruments	13.63	60.30
- Mutual fund investments	1,457.58	738.16
- Effective portion of cash flow hedge	(184.69)	184.69
<b>Total</b>	<b>1,740.18</b>	<b>548.29</b>

## 39.0- Employees' benefit and retirement benefit obligations

### Expense recognised for Defined Contribution plan

Particulars	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
Company's contribution to Provident Fund	5,924.21	3,382.31
Company's contribution to ESI	1,281.23	642.12
Company's contribution to Labour Welfare Fund	3.70	2.10
Company's contribution to National Pension Scheme	1,400.89	1,314.00
<b>Total</b>	<b>8,610.03</b>	<b>5,340.53</b>

The following table sets forth the changes in the projected benefit obligation and amounts recognised in the Balance Sheet as at 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015, being the respective measurement dates:

## Jindal Intellicom Limited

Particulars	Gratuity (Unfunded) (Rs. in '000)	Leave Encashment (Unfunded) (Rs. in '000)
<b>Present value of obligation - 1st April, 2014</b>	<b>10,672.89</b>	<b>5,283.07</b>
Current service cost	1,941.00	3,533.07
Interest cost	801.98	317.00
Benefits paid	(782.34)	(541.82)
Remeasurements - actuarial loss/(gain)	1,340.30	(1,020.36)
<b>Present value of obligation - 31st March, 2015</b>	<b>13,973.83</b>	<b>7,570.96</b>
<b>Present value of obligation - 1st April, 2015</b>	<b>13,973.83</b>	<b>7,570.96</b>
Current service cost	1,548.86	1,947.67
Interest cost	1,050.90	569.38
Benefits paid	(1,150.94)	(510.04)
Remeasurements - actuarial loss/(gain)	(1,397.15)	(1,731.15)
<b>Present value of obligation - 31st March, 2016</b>	<b>14,025.50</b>	<b>7,846.82</b>

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

### Recognised in the Statement of Profit and Loss

Particulars	Gratuity (Rs. in '000)	Leave Encashment (Rs. in '000)
Current service cost	1,548.86	1,947.67
Interest cost	1,050.90	569.38
Expected return on plan assets	-	-
Remeasurements - actuarial loss/(gain)	-	(1,731.15)
Past service cost	-	-
<b>For the year ended 31st March, 2016</b>	<b>2,599.76</b>	<b>785.90</b>
Current service cost	1,941.00	3,533.07
Interest cost	801.98	317.00
Expected return on plan assets	-	-
Remeasurements - actuarial loss/(gain)	-	(1,020.36)
Past service cost	-	-
<b>For the year ended 31st March, 2015</b>	<b>2,742.98</b>	<b>2,829.71</b>

### Recognised in other comprehensive income

Particulars	Gratuity (Rs. in '000)	Leave Encashment (Rs. in '000)
Remeasurements - actuarial loss/(gain)	(1,397.15)	-
<b>For the year ended 31st March, 2016</b>	<b>(1,397.15)</b>	<b>-</b>
Remeasurements - actuarial loss/(gain)	1,340.30	-
<b>For the year ended 31st March, 2015</b>	<b>1,340.30</b>	<b>-</b>

## Jindal Intellicom Limited

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

	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
Weighted average actuarial assumptions		
Attrition rate	8%/42%	17%/68%
Discount rate	7.50%/8.00%	7.80%
Expected rate of increase in compensation levels	8.00%	6.00% / 8.00% / 10.00%
Expected rate of return on plan assets	-	-
Mortality rate	IALM 2006- 08 Ultimate	IALM 2006- 08 Ultimate
Expected average remaining working lives of employees (years)	30.20	30.10

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

### Sensitivity Analysis:

For the year ended 31<sup>st</sup> March, 2016

Particulars	change in Assumption	Effect on Gratuity obligation (Rs. in '000)	Effect on Leave Encashment obligation (Rs. in '000)
Discount rate	+1%	13,778.21	7,695.48
	-1%	14,253.96	8,001.26
Salary Growth rate	+1%	14,154.95	7,999.18
	-1%	13,884.04	7,694.71
Withdrawal rate	+1%	13,986.51	7,845.25
	-1%	14,065.09	7,848.64

# Jindal Intellicom Limited

For the year ended 31<sup>st</sup> March, 2015

Particulars	change in Assumption	Effect on Gratuity obligation (Rs. in '000)	Effect on Leave Encashment obligation (Rs. in '000)
Discount rate	+1%	13,730.00	7,427.66
	-1%	14,197.54	7,716.19
Salary Growth rate	+1%	14,098.86	7,714.21
	-1%	13,835.74	7,426.93
Withdrawal rate	+1%	13,935.41	7,569.46
	-1%	14,013.29	7,572.73

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

History of experience adjustments is as follows:

Particulars	Gratuity (Rs. in '000)	Leave Encashment (Rs. in '000)
<b>For the year ended 31st March, 2016</b>		
Plan liabilities - (loss)/gain	1,420.89	1,821.34
Plan assets - (loss)/gain	-	-
<b>For the year ended 31st March, 2015</b>		
Plan liabilities - (loss)/gain	(1,237.44)	1,411.19
Plan assets - (loss)/gain	-	-

Statement of Employee benefit provision

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Gratuity	14,025.50	13,973.83
Leave encashment	7,846.82	7,570.96
<b>Total</b>	<b>21,872.32</b>	<b>21,544.79</b>

OCI presentation of defined benefit plan

- Gratuity is in the nature of defined benefit plan. Re-measurement gains/(losses) on defined benefit plans are shown under OCI as items that will not be reclassified to profit or loss and also the Income tax effect on the same.

- Leave encashment cost is in the nature of short term employee benefits.

## Presentation in the Statement of Profit and Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liabilities / (assets) is charged to Statement of Profit and Loss.

Ind AS 19 do not require segregation of provision in current and non-current, however net defined liabilities / (assets) is shown as current and non-current provision in the Balance Sheet as per Ind AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

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

## 40.0- Other disclosures

### a) Auditors remuneration

Particulars	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
<b>Statutory Auditors</b>		
a) Audit fees	218.48	198.24
b) Taxation matters	85.30	60.00
c) Certification / Others	88.90	67.00
d) Out of pocket expenses	13.57	3.64
<b>Total</b>	<b>406.25</b>	<b>328.88</b>

b) Details of loans given, investment made and guarantees given, covered under section 186(4) of the Companies Act 2013:

Investment made and loans given are given under the respective heads at Note 7 and 15 respectively.

41.0- Contingent liabilities and commitments

a) Contingent liabilities

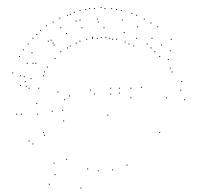
i) Claims against the Company not acknowledged as debt:

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

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Income tax	844.45	-
<b>Total</b>	<b>844.45</b>	<b>-</b>

ii) Guarantees:

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Financial bank guarantees	10,850.00	10,850.00
Liabilities in respect of duty saved for availing various export based incentives schemes	1,866.40	1,405.39
<b>Total</b>	<b>12,716.40</b>	<b>12,255.39</b>



# Jindal Intellicom Limited

---

- iii) Capital commitments:  
Estimated amount of contracts remaining to be executed on capital account and not provided for:

Particulars	As at 31st March, 2016 (Rs. in '000)	As at 31st March, 2015 (Rs. in '000)
Property, plant and equipment	1,920.87	17,362.25
Intangible assets	-	135.00
<b>Total</b>	<b>1,920.87</b>	<b>17,497.25</b>

Capital commitments are net of advances.

## 42.0- Related party transactions

In accordance with the requirements of Ind AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

Related party name and relationship

### 1- Key Management personnel

1	Sanjiv Garg	Whole time director and CEO
2	Ratan Kumar Sinha	Whole time director
3	Ajay Bhatia	Chief Financial Officer
4	Ritu Sharma	Company Secretary

# Jindal Intellicom Limited

## 2- Related parties

### i) Entities where control exists – Parent, subsidiary and fellow subsidiaries

S No	Particulars	Relationship
1	Jindal Saw Limited	Ultimate parent company
2	JITF Shipyards Limited	Parent company
3	iCom Analytics Limited	Subsidiary company
4	Jindal ITF Limited	fellow subsidiary
5	Jindal Saw Espana SL	Fellow subsidiary
6	JITF Urban Infrastructure Services Ltd.	Fellow subsidiary
7	IUP JINDAL METALS & ALLOYS LTD.	Fellow subsidiary
8	S. V. TRADING LTD.	Fellow subsidiary
9	QUALITY IRON AND STEEL LTD.	Fellow subsidiary
10	UNIVERSAL TUBE ACCESSORIES PVT. LTD.	Fellow subsidiary
11	RALAEI HOLDINGS LTD.	Fellow subsidiary
12	JINDAL TUBULAR (INDIA) LTD.	Fellow subsidiary
13	JITF INFRALOGISTICS LTD.	Fellow subsidiary
14	JINDAL SAW HOLDINGS FZE	Fellow subsidiary
15	GREEN RAY HOLDINGS	Fellow subsidiary
16	JINDAL QUALITY TUBULAR LTD.	Fellow subsidiary
17	JITF WATERWAYS LTD.	Fellow subsidiary
18	JINDAL TUBULAR U.S.A. LLC	Subsidiary of fellow subsidiary
19	JINDAL SAW USA LLC	Subsidiary of fellow subsidiary
20	WORLD TRANSLOAD & LOGISTICS LLC.	Subsidiary of fellow subsidiary
21	5101 BOONE LLP	Subsidiary of fellow subsidiary
22	DRILL PIPE INTERNATIONAL LLC	Subsidiary of fellow subsidiary
23	TUBE TECHNOLOGIES INC	Subsidiary of fellow subsidiary
24	HELICAL ANCHORS INC.	Subsidiary of fellow subsidiary
25	BOONE REAL PROPERTY HOLDING LLC.	Subsidiary of fellow subsidiary
26	JINDAL SAW ITALIA S.P.A.	Subsidiary of fellow subsidiary
27	JITF SHIPPING & LOGISTICS (SINGAPORE) PTE. LTD.	Subsidiary of fellow subsidiary
28	JINDAL SAW MIDDLE EAST FZC	Subsidiary of fellow subsidiary
29	JINDAL SAW GULF LLC	Subsidiary of fellow subsidiary
30	Jindal International FZE	Subsidiary of fellow subsidiary
31	DERWANT SAND SARI	Subsidiary of fellow subsidiary
32	JITF WATER INFRASTRUCTURE LTD.	Subsidiary of fellow subsidiary
33	JITF WATER INFRA (NAYA RAIPUR) LTD.	Subsidiary of fellow subsidiary
34	JITF ESIPL CETP (Sitarganj) Ltd.	Subsidiary of fellow subsidiary
35	JITF INDUSTRIAL INFRASTRUCTURE DEVELOPMENT CO. LTD.	Subsidiary of fellow subsidiary
36	JINDAL RAIL INFRASTRUCTURE LTD.	Subsidiary of fellow subsidiary
37	JITF URBAN INFRASTRUCTURE LTD.	Subsidiary of fellow subsidiary
38	JINDAL URBAN WASTE MANAGEMENT (VISAKHAPATNAM) LTD.	Subsidiary of fellow subsidiary
39	JINDAL URBAN WASTE MANAGEMENT (GUNTUR) LIMITED	Subsidiary of fellow subsidiary
40	JINDAL URBAN WASTE MANAGEMENT (TIRUPATI) LIMITED	Subsidiary of fellow subsidiary
41	JITF URBAN WASTE MANAGEMENT (FEROZEPUR) LIMITED	Subsidiary of fellow subsidiary
42	JITF URBAN WASTE MANAGEMENT (JALANDHAR) LIMITED	Subsidiary of fellow subsidiary
43	JITF URBAN WASTE MANAGEMENT (BATHINDA) LIMITED	Subsidiary of fellow subsidiary
44	TIMARPUR-OKHLA WASTE MANAGEMENT CO. PVT. LTD.	Subsidiary of fellow subsidiary
45	JINDAL SAW PIPELINE SOLUTIONS LTD.	Subsidiary of fellow subsidiary
46	JINDAL FITTINGS LTD.	JV of Ultimate parent company
47	JWIL-SSIL (JV) ACP	JV of fellow subsidiary
48	SMC-JWIL(JV)ACP	JV of fellow subsidiary
49	JWIL-RANHILL (JV) ACP	JV of fellow subsidiary
50	TAPI-JWIL (JV) ACP	JV of fellow subsidiary

# Jindal Intellicom Limited

---

## ii) Relative of key management personnel

1	Leena Garg	Wife of Mr. Sanjiv Garg, Whole time director and CEO
2	Madhav Garg	Son of Mr. Sanjiv Garg, Whole time director and CEO
3	Kamlesh Bhatia	Mother of Mr. Ajay Bhatia, Chief Financial Officer

## 3- Key management personnel remuneration

Particulars	Year ended 31st March, 2016 (Rs. in '000)	Year ended 31st March, 2015 (Rs. in '000)
Short-Term employee benefits	18,106.44	17,634.11
Post-Employment benefits - Defined contribution plan	1,941.07	1,888.36
<b>Total</b>	<b>20,047.51</b>	<b>19,522.47</b>

# Jindal Intellicom Limited

## 4- Related parties' transactions

(Rs. in '000)

Particulars	Ultimate Parent / Parent		Other Related Parties	
	2015-16	2014-15	2015-16	2014-15
<b>B) Other details of related party transactions</b>				
<b>i) Transactions</b>				
1- Rent Paid	5,654.02	5,643.36	-	-
- Jindal Saw Limited (Ultimate holding company)				
2- Rent Received				
- Jindal Saw Limited (Ultimate holding company)	11,467.68	5,017.68	-	-
3- Sale of Services				
- Jindal Saw Limited (Ultimate holding company)	20.00	690.00	-	-
4- Interest received				
- Jindal Saw Limited (Ultimate holding company)	-	1,407.92	-	-
5- Loan received back during the year				
- Jindal Saw Limited (Ultimate holding company)	-	30,000.00	-	-
6- Purchase of services				
- Kamlesh Bhatia (Mother of CFO)	-	-	-	168.00
7- Advance received by the Company				
- Jindal Saw USA, LLC (Fellow subsidiary company)	-	-	3.23	-
8- Expenses incurred/recovered by the Company				
- Jindal Saw Limited (Ultimate holding company)	6,208.34	7,383.54	-	-
- Jindal ITF Ltd (Fellow subsidiary company)	-	-	145.35	33.82
- Jindal Tubular Limited (Fellow subsidiary company)	-	-	45.12	-
- JTF Water Infrastructure Limited (Fellow subsidiary company)	-	-	290.86	301.20
9- Expenses incurred by others and reimbursed by the Company				
- Jindal Saw Limited (Ultimate holding company)	13,306.32	9,001.33	-	-
10- Remuneration paid				
- Leena Garg (Wife of whole time director and CEO)	-	-	600.00	564.00
- Madhav Garg (Son of whole time director and CEO)	-	-	653.90	-

# Jindal Intellicom Limited

## 5- Related parties' outstanding balances

(Rs. in '000)

Particulars	Ultimate Parent / Parent		Other Related Parties	
	2015-16	2014-15	2015-16	2014-15
1- Other receivables				
- Jindal Saw Limited (Ultimate holding company)	-	894.80	-	-
- Jindal ITF Limited (Fellow subsidiary company)	-	-	92.35	29.19
- JITF Water Infrastructure Limited (Fellow subsidiary company)	-	-	284.62	269.89
- Jindal Saw USA, LLC (Fellow subsidiary company)	-	-	3.23	-
2- Other payables				
- Leena Garg (Wife of whole time director and CEO)	-	-	42.86	43.32
- Madhav Garg (Son of whole time director and CEO)	-	-	22.77	-
- Kamlesh Bhatia (Mother of CFO)	-	-	-	14.00

## 43.0- Lease disclosure

### a- Operating lease – as lessee:

The Company has taken on office premises, equipment and vehicles on cancellable operating leases. Lease rentals charged during the year in the Statement of Profit and Loss amounted to Rs. 6,592.29 (Previous year Rs. 6,395.22).

### b- Operating lease – as lessor:

The Company has sublet a part of its office premises taken on lease by it. Lease rent received from subletting of premises amounted to Rs. 12,310.56 (Previous year Rs. 5,711.04).

## 44.0- Earnings per share (EPS)

Particulars	Year ended	Year ended
	31st March, 2016 (Rs. in '000)	31st March, 2015 (Rs. in '000)
Net profit after tax from continuing operations (numerator for Basic EPS)	22,965.68	27,741.55
Weighted average number of equity shares (denominator for Basic / Diluted EPS)	10,910.00	10,910.00
Earnings per equity share from continuing operations		
- Basic	2.11	2.54
- Diluted	2.11	2.54

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

# Jindal Intellicom Limited

---

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity, which the Company did not have during the period under report.

## 45.0- Impairment review

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the entity at which the assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of the assets.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

**Operating margins:** Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

**Discount rate:** Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

**Growth rates:** The growth rates used are in line with the long term average growth rates of the respective industry and country in which the entity operates and are consistent with the forecasts included in the industry reports.

**Capital expenditures:** The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required

# Jindal Intellicom Limited

---

## 46.0- Transition to Ind AS

### Basis of preparation

For all period up to and including the year ended 31<sup>st</sup> March, 2015, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statement for the year ended 31<sup>st</sup> March, 2016, are the Company's first annual Ind AS financial statements and have been prepared in accordance with Ind AS.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods beginning on or after 1<sup>st</sup> April, 2014, as described in the accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1<sup>st</sup> April, 2014, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP statement of financial position as at 1<sup>st</sup> April, 2014 and its previously published Indian GAAP financial statements for the year ended 31<sup>st</sup> March, 2015.

### Exemptions Applied

Ind AS 101 'First-time Adoption of Indian Accounting Standards' allows first time adopters certain exemptions from the retrospective application of certain Ind AS, effective for 1<sup>st</sup> April, 2014 opening balance sheet.

### Following exemptions availed from other Ind AS as per Appendix D of Ind AS 101.

1. Deemed cost:

The Company has elected to measure Property, plant and equipment (PPE) at the date of transition to Ind AS at their fair value. Company has used the fair value of assets, which is considered as deemed cost on transition. The net carrying value of PPE under previous GAAP was Rs. 177,559.69 and the deemed cost considered on transition is Rs. 136,307.33.

Life and salvage value of assets has been revisited on transition date and revised estimated life less life expired on date of transition has been considered as revised life for all assets. The impact of change in life and salvage value is provided in Note 5.0.

2. The Company has decided to disclose prospectively from the date of transition the following as required by Ind AS 19

- i) The present value of the defined benefit obligation
- ii) The experience adjustments arising on the plan liabilities expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period

## Jindal Intellicom Limited

---

- iii) Under previous GAAP the Company was considering leave encashment as defined benefit plan as there was no difference in previous GAAP for accounting of experience adjustments and impact of change in actuarial assumption. On transition to Ind AS, the Company has considered leave encashment as short term benefit and consequently experience adjustments and impact of change in actuarial assumption is accounted in the Statement of Profit and Loss.
- 3. The Company has applied the transition provision in Appendix-C of Ind AS 17, "Determining whether an arrangement contains a Lease", and has assessed all arrangement as at the date of transition.
- 4. Fair value of financial assets and liabilities:

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under Ind AS, these financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to Ind AS, the requirement of initial recognition at fair value is applied prospectively.

### **Impact of transition to Ind AS**

The following is a summary of the effects of the differences between Ind AS and Indian GAAP on the Company's total equity shareholders' funds and profit or loss for the financial periods previously reported under Indian GAAP following the date of transition to Ind AS.

# Jindal Intellicom Limited

## Reconciliation of Balance Sheet as at 1<sup>st</sup> April, 2014

(Rs. in '000)

	Particulars	As per iGAAP	Adjustment	As per Ind AS
	<b>ASSETS</b>			
(1)	<b>Non-current assets</b>			
	(a) Property, plant and equipment	177,559.68	(41,252.35)	136,307.33
	(b) Other intangible assets	2,831.75	(183.83)	2,647.92
	(c) Financial assets	-	-	-
	(i) Investments	150.00	3,030.25	3,180.25
	(ii) Other financial assets	44,687.56	-	44,687.56
	(d) Deferred tax assets (Net)	108.12	12,788.53	12,896.65
	(e) Other non-current assets	388.06	-	388.06
(2)	<b>Current assets</b>			
	(a) Financial assets			
	(i) Trade receivables	49,651.57	-	49,651.57
	(ii) Cash and cash equivalents	14,547.14	-	14,547.14
	(iii) Bank balances other than (ii) above	1,793.14	-	1,793.14
	(iv) Loans	30,199.40	-	30,199.40
	(v) Other financial assets	5,222.44	-	5,222.44
	(b) Current tax assets (Net)	510.00	-	510.00
	(c) Other current assets	6,737.95	-	6,737.95
	<b>Total Assets</b>	<b>334,386.81</b>	<b>(25,617.40)</b>	<b>308,769.41</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity share capital	109,100.00	-	109,100.00
	(b) Other equity	166,271.88	(25,617.40)	140,654.48
	<b>Liabilities</b>			
(1)	<b>Non-current liabilities</b>			
	(a) Provisions	10,345.72	-	10,345.72
(2)	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Trade payables	14,965.57	-	14,965.57
	(ii) Other financial liabilities	25,024.96	-	25,024.96
	(b) Other current liabilities	3,068.44	-	3,068.44
	(c) Provisions	5,610.24	-	5,610.24
	<b>Total Equity and Liabilities</b>	<b>334,386.81</b>	<b>(25,617.40)</b>	<b>308,769.41</b>

# Jindal Intellicom Limited

## Reconciliation of Other Equity as at 1<sup>st</sup> April, 2014

Particulars	Retained Earnings (Rs. in '000)	Securities Premium Reserve (Rs. in '000)	Hedging Reserve (Rs. in '000)	Total impact on Other Equity (Rs. in '000)
As at 1st April, 2014 (IGAAP) (A)	160,812.43	4,450.00	1,009.45	166,271.88
Adjustments:				
Add: Fair valuation gain on unquoted equity shares	3,030.25	-	-	3,030.25
Less: Deferred Tax liabilities recorded on fair valuation of unquoted equity shares	(655.44)	-	-	(655.44)
Less: Fair valuation loss on valuation of fixed assets	(41,436.18)	-	-	(41,436.18)
Less: Deferred Tax assets recorded on fair valuation of fixed assets	13,443.97	-	-	13,443.97
<b>Total Ind AS adjustment (B)</b>	<b>(25,617.40)</b>	<b>-</b>	<b>-</b>	<b>(25,617.40)</b>
As at 1st April, 2014 (Ind AS) (A) + (B)	135,195.03	4,450.00	1,009.45	140,654.48

## Principal differences between Ind AS and Indian GAAP

Measurement and recognition difference for year ended 31<sup>st</sup> March, 2015

### 1. Property, plant and equipment

#### i. Asset carried at deemed cost in Ind AS

On transition to Ind AS Property, plant and equipment were fair valued with life being the balance remaining life of each asset. During 2014-15 additional loss for discard of assets amounting to Rs. 33.07 is recognised for, the increase in loss is due to discard of fair valued assets.

### 2. Financial Instruments

#### i. Derivative financial instruments

Under Indian GAAP, derivative contracts are measured at fair value at each balance sheet date to the extent of any reduction in fair value, and the loss on valuation is recognised in the Hedging Reserve. A gain on valuation is only recognised by the Company if it represents the subsequent reversal of an earlier loss.

Under Ind AS, both reductions and increases to the fair values of derivative contracts are recognised in the Statement of Profit and Loss. Premium is not separately accounted and amortised.

# Jindal Intellicom Limited

---

ii. Fair valuation of financial assets and liabilities

Under Indian GAAP, receivables and payables were measured at transaction cost less allowances for impairment, if any. Under Ind AS, these financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any. The resulting finance charge or income is included in finance expense or finance income in the Statement of Profit and Loss for financial liabilities and financial assets respectively.

iii. Investments other than investment in subsidiary

Under Indian GAAP current investments other than investment in subsidiary are measured at the lower of cost or market price and non-current investments other than investment in subsidiary are measured at cost less any permanent diminution in value of investment. Difference between the cost and market price is recognised in the Statement of Profit and Loss.

Under Ind AS investments are designated as FVOCI (Fair Value through Other Comprehensive Income), FVTPL (Fair Value through Profit or Loss) and FV (Fair Value) at amortised cost. For investment designated as FVOCI, difference between the fair value and carrying value is recognised in OCI, for investment designated as FVTPL, difference between the fair value and carrying value is recognised in profit or loss, for investment designated as amortised cost, accrual of interest is recognised in the Statement of Profit and Loss.

3. Deferred Tax

The Company has accounted for deferred tax on the various adjustments between Indian GAAP and Ind AS at the tax rate at which they are expected to be reversed.

4. Minimum Alternative Tax (MAT) entitlement credit being of the nature of deferred tax, on transition to Ind AS, MAT credit entitlement of Rs. 16,949.90 and Rs. 7,498.94 for 1<sup>st</sup> April, 2014 and 31<sup>st</sup> March, 2015 respectively has been regrouped under Deferred tax assets from Current tax assets (net).

5. The impact of change in actuarial assumption and experience adjustments for defined benefit obligation towards gratuity liability is accounted in the Statement of Other Comprehensive Income (OCI) and corresponding tax impact on the same. Due to this Rs. 1,340.30 and Rs. 434.86 tax credit thereon is shown in OCI and reversal in Statement of Profit and Loss.

6. Statement of Cash Flows

The impact of transition from Indian GAAP to Ind AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under Ind AS in the Balance Sheet, Statement of Profit and Loss and Statement of Other Comprehensive Income, and difference in the definition of cash and cash equivalents under the Indian GAAP and Ind AS.

# Jindal Intellicom Limited

Subsequent reconciliations post transition on 1<sup>st</sup> April, 2014

Reconciliation of Balance Sheet as at 31<sup>st</sup> March, 2015

(Rs. In '000)

	Particulars	As per iGAAP	Adjustment	As per Ind AS
	<b>ASSETS</b>			
(1)	Non-current assets			
	(a) Property, plant and equipment	123,212.08	5,336.94	128,549.02
	(b) Capital work-in-progress	2,696.98	-	2,696.98
	(c) Other intangible assets	3,974.19	(1,057.93)	2,916.26
	(d) Financial assets	-	-	-
	(i) Investments	69,150.00	6,721.71	75,871.71
	(ii) Other financial assets	4,344.25	-	4,344.25
	(e) Deferred tax assets (Net)	8,166.17	(3,026.92)	5,139.25
	(f) Other non-current assets	3,692.63	-	3,692.63
(2)	Current assets			
	(a) Financial assets			
	(i) Trade receivables	47,337.12	-	47,337.12
	(ii) Cash and cash equivalents	10,844.00	-	10,844.00
	(iii) Bank balances (other than (ii) above)	41,176.33	-	41,176.33
	(iv) Loans	66.33	-	66.33
	(v) Other financial assets	5,772.67	-	5,772.67
	(b) Current tax assets (Net)	3,149.15	-	3,149.15
	(c) Other current assets	6,813.99	-	6,813.99
	<b>Total Assets</b>	<b>330,395.89</b>	<b>7,973.80</b>	<b>338,369.69</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity share capital	109,100.00	-	109,100.00
	(b) Other equity	161,784.87	7,973.80	169,758.67
	<b>Liabilities</b>			
(1)	Non-current liabilities			
	(a) Provisions	15,514.65	-	15,514.65
(2)	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	5,976.47	-	5,976.47
	(ii) Trade payables	11,219.47	-	11,219.47
	(iii) Other financial liabilities	16,672.51	-	16,672.51
	(b) Other current liabilities	4,097.78	-	4,097.78
	(c) Provisions	6,030.14	-	6,030.14
	<b>Total Equity and Liabilities</b>	<b>330,395.89</b>	<b>7,973.80</b>	<b>338,369.69</b>

# Jindal Intellicom Limited

## Reconciliation of Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2015

(Rs. In '000)

	Particulars	As per iGAAP	Adjustment	As per Ind AS
	<b>INCOME</b>			
I	Revenue from operations	298,264.36	-	298,264.36
II	Other income	19,505.42	-	19,505.42
III	<b>Total Income (I + II)</b>	<b>317,769.78</b>	<b>-</b>	<b>317,769.78</b>
	<b>EXPENSES</b>			
IV	Employee benefit expense	192,842.70	(1,340.30)	191,502.40
	Finance costs	541.24	-	541.24
	Depreciation and amortization expense	20,178.41	(4,116.10)	16,062.31
	Other expenses	67,428.35	(33.07)	67,395.28
	<b>Total expenses (IV)</b>	<b>280,990.70</b>	<b>(5,489.47)</b>	<b>275,501.23</b>
V	Profit/(loss) before exceptional items and tax (III- IV)	<b>36,779.08</b>	<b>5,489.47</b>	<b>42,268.55</b>
VI	Exceptional Items	-	-	-
VII	<b>Profit/(loss) before tax (V - VI)</b>	<b>36,779.08</b>	<b>5,489.47</b>	<b>42,268.55</b>
VIII	Tax expense: ₹			
	(1) Current tax	7,300.15	-	7,300.15
	(2) MAT credit utilisation	9,123.68	-	9,123.68
	(3) Income tax of earlier year	345.02	-	345.02
	(4) Deferred tax	(4,022.91)	1,781.06	(2,241.85)
IX	<b>Profit (Loss) for the period from continuing operations (VII - VIII)</b>	<b>24,033.14</b>	<b>3,708.41</b>	<b>27,741.55</b>
X	<b>Other Comprehensive Income</b>			
	A (i) Items that will not be reclassified to profit or loss			
	(i) Re-measurement gains (losses) on defined benefit plans	-	(1,340.30)	(1,340.30)
	Income tax effect on above	-	434.86	434.86
	(ii) Equity instruments through Other Comprehensive Income	-	278.76	278.76
	Income tax effect on above	-	(60.30)	(60.30)
	B (i) Items that will be reclassified to profit or loss			
	(i) Mutual fund investments through Other Comprehensive Income	-	3,412.69	3,412.69
	Income tax effect on above	-	(738.16)	(738.16)
	(ii) The effective portion of gain and loss on hedging instruments in a cash flow hedge	-	(440.22)	(440.22)
	Income tax effect on above	-	(184.68)	(184.68)
		-	<b>1,362.65</b>	<b>1,362.65</b>
XI	<b>Total Comprehensive Income for the period (IX+X)(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>24,033.14</b>	<b>5,071.06</b>	<b>29,104.20</b>

# Jindal Intellicom Limited

## Reconciliation of Other Equity

Particulars	Retained Earnings (Rs. in '000)	Securities Premium Reserve (Rs. in '000)	Debt Instruments through Other Comprehensive Income (Rs. in '000)	Equity Instruments through Other Comprehensive Income (Rs. in '000)	Effective portion of Cash Flow Hedges (Rs. in '000)	Re-measurements of the Defined Benefit Plans (Rs. in '000)	Total impact on Other Equity (Rs. in '000)
As at 31st March, 2015 (IGAAP) (A)	156,765.64	4,450.00	-	-	569.23	-	161,784.87
<b>Adjustments:</b>							
Difference in other equity on transition	(25,617.40)	-	-	-	-	-	(25,617.40)
Add: Depreciation on assets where the useful life of assets is nil (net of taxes)	28,079.92	-	-	-	-	-	28,079.92
Add: Reversal of hedging reserve	-	-	-	-	440.22	-	440.22
Add: Difference in profit or loss for the year 2014-15	3,708.42	-	2,674.52	218.47	(624.93)	(905.44)	5,071.06
<b>Total Ind AS adjustment (B)</b>	<b>6,170.94</b>	<b>-</b>	<b>2,674.52</b>	<b>218.47</b>	<b>(184.69)</b>	<b>(905.44)</b>	<b>7,973.80</b>
<b>As at 31st March, 2015 (Ind AS) (A) + (B)</b>	<b>162,936.58</b>	<b>4,450.00</b>	<b>2,674.52</b>	<b>218.47</b>	<b>384.54</b>	<b>(905.44)</b>	<b>169,758.67</b>

## 47.0- Additional information as required under Schedule III to the Companies Act, 2013.

(Rs. In '000)

Name of entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount (Rs. in '000)	As a % of consolidated profit or loss	Amount (Rs. in '000)	As a % of consolidated other comprehensive income	Amount (Rs. in '000)	As a % of consolidated total comprehensive income	Amount (Rs. in '000)
	<b>Parent</b>							
Jindal Intellicom Limited	99.80%	306,842.55	103.01%	23,643.84	100.00%	5,636.68	100.00%	28,797.22
<b>Indian Subsidiary</b>								
ICOM Analytics Limited	0.20%	618.49	-3.01%	(678.15)	0.00%	-	0.00%	-

## 48.0- Statement containing the salient features of the financial statement of subsidiary (pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014-AOC-1).

Sr. No.	Name of subsidiary	Reporting period	Reporting currency	Share capital	Reserve & Surplus	Total Assets	Total liabilities	Investments	Turnover / total Income	Profit before Taxation	Provision for Taxation	Profit after taxation	Proposed dividend	% of share-holding
1	ICOM Analytics Limited	1st April, 2015 to 31st March, 2016	Rupees	1,800.00	(1,850.05)	740.36	1,090.41	-	25.63	(1,001.30)	309.40	(691.90)	-	100

## 49.0- Previous year figures are given in brackets and have been regrouped/rearranged, where found necessary, to make them comparable with the current year figures.

As per our report of even date attached

For S. Nayyar & Company

Chartered Accountants

ERN 002439N

Sanjeev Nayyar

Proprietor

M. No. 81124

Place: New Delhi

Dated: 26<sup>th</sup> May, 2016

For and on behalf of the Board of Directors

Sanjiv Garg

Whole-time Director  
& CEO

DIN : 00428757

Ritu Sharma

Company Secretary

M. No: A27654

Sunil Kumar Jain

Director

DIN : 01308863

Ajay Bhatia

CFO