

JAIGARH DIGNI RAIL LIMITED**NOTICE**

Notice is hereby given that the **Second Annual General Meeting** of the Shareholders of **Jaigarh Digni Rail Limited** will be held on **August 04, 2017, Friday at 10.30 a.m.** at **Belapur Bhavan, Room No. 516, 3rd Floor, Plot No. 6, Sector - 11, CBD Belapur, Navi Mumbai 400614** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2017 and Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To re-appoint Capt. BVJK Sharma (DIN: 00017758), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Mr. Lalit Singhvi (DIN: 05335938), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s. Shah Gupta & Co., Chartered Accountants, Mumbai (Firm Registration Number 109574W) as Auditors of the Company and their remuneration as may be decided by the Board of Directors of the Company.

"RESOLVED THAT pursuant to the first proviso to section 139(1) of the Companies Act, 2013, read with the first proviso to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Shah Gupta & Co., Chartered Accountants, Mumbai (Firm Registration Number 109574W0) be appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of 6th Annual General Meeting, on such remuneration as may be decided by the Board of Directors of the Company"

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Atul Patne (DIN 00389250), who was appointed as an Additional Director of the Company by the Board of Directors with effect from October 21, 2016, in terms of

Section 161(1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the resolution passed under Sections 2(54), 196, 197, 198, 203 read with Schedule V and rules made thereunder including all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) by the shareholders at the 1st Annual General Meeting held on October 21, 2016 for appointing Mr. Amit Chaudhri as a Managing Director of the Company with effect from July 27, 2016 on a consolidated monthly remuneration not exceeding Rs 6,30,000; approval be and is hereby accorded to increase the overall remuneration limit of consolidated monthly remuneration payable to Mr. Amit Chaudhri from Rs. 6,30,000 to Rs. 7,20,000 inclusive of all allowances and perquisites with effect from April 01, 2017 on such terms and conditions as may be decided by the Board of Directors.

RESOLVED FURTHER THAT any of the Directors or Chief Financial Officer or the Company Secretary be and are hereby severally authorised to take necessary and further action as may be required to give effect to the aforesaid.

RESOLVED FURTHER THAT a certified true copy of the aforesaid resolution under the signature of any one of the Directors of the Company or the CFO or the Company Secretary be forwarded to such persons or authorities as may be required."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provision of section 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof, for the time being in force), the existing Authorised Share Capital of the Company i.e. Rs 100,00,00,000 (Rupees One Hundred Crores Only) divided into 10,00,00,000 (Ten Crores Only) Equity Shares of Rs 10 each, be increased to Rs 1,93,00,00,000 (Rupees One Hundred Ninety Three Crores Only) divided into 19,30,00,000 (Nineteen Crores Thirty Lakhs Only) Equity Shares of Rs 10 each and that Clause V of the Memorandum of Association of the Company relating to the share capital be and is hereby altered by deleting the same and substituting in its place the following as new Clause V".



"The Authorised Share Capital of the Company is Rs 1,93,00,00,000 (Rupees One Hundred Ninety Three Crores Only) divided into 19,30,00,000 (Nineteen Crores Thirty Lakhs Only) Equity Shares of Rs 10 each"

By order of the Board of Directors
For Jaigarh Digni Rail Limited.

A handwritten signature in black ink, appearing to read 'MJ'.

Place : Mumbai

Dated : July 05, 2017

Miraj Shah
Company Secretary

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**ITEM NO. 5**

Mr. Atul Patne (DIN: 00389250) in respect of whom the Company has received the notice along with deposit of requisite amount from a member proposing as a candidate for the office of Director of the Company as provided in Section 160 of the Companies Act, 2013.

Mr. Atul Patne has done his post-graduation in Geology and had joined Indian Administrative Services in the year 1999. Prior to his joining as MMB - CEO, he was working as a Director in Department of Agriculture and Cooperation, Government of India. He has worked in various departments in the Government of Maharashtra. Besides, he has held a position of Director in the State Agricultural Management Training Institute at 'Vanamati', Maharashtra State Textile Department, Maharashtra State Mining Corporation, Maharashtra Handloom Corporation and Oil India Limited. He has attained various recognitions like Prime Minister Award for Mahatma Gandhi National Rural Employment Guarantee Scheme, President Award for Innovation in Election Management Plan and National E-Governance Award twice for IT innovation. He is currently serving on the Board of Dighi Port Limited, Vadhvan Port Project Limited and Maharashtra State Powerlooms Corporation Limited.

Mr. Atul Patne does not hold any equity shares of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Atul Patne as a Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Atul Patne as a Director, for approval by the members of the Company.

Except Mr. Atul Patne, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Your Directors recommend the resolution set out at Item No. 5 of the Notice for your approval.

ITEM NO. 6

The resolution contained in the notice in the item no 6 is with reference to the resolution passed by the shareholders at the 1st Annual General Meeting held on October 21, 2016 for appointing Mr. Amit Chaudhri as Managing Director of the Company with effect from July 27, 2016 on a consolidated monthly remuneration not exceeding Rs. 6,30,000 (inclusive of all allowances and perquisites).

He is in-charge of expansion of Rail Project of the Company.

Due to the annual appraisal, the remuneration will exceed the approved remuneration limit. Thus it is proposed to increase the remuneration limit of consolidated monthly remuneration

payable to Mr. Amit Chaudhri from Rs 6,30,000 to Rs 7,20,000 (inclusive of all allowances and perquisites) with effect from April 01, 2017.

In terms of Section 197 of the Companies Act, 2013 read with Schedule V, the maximum Managerial Remuneration payable by a public company to its directors, including managing director and whole-time director and its manager shall not exceed 11% of the net profits for the financial year. However, in case of any financial year where the Company has no profits or inadequate profits, it may without Central Government approval, pay remuneration to the Managerial Person not exceeding the limits specified in the Schedule V of the Companies Act, 2013.

Members are aware that the Company is in the pre-operational stage and recognizing to further develop and strengthen the top management of the Company, your Board has considered appropriate to increase the remuneration limit of Mr. Amit Chaudhri, Managing Director of the Company and obtain approval of the members by way of Ordinary Resolution for payment of remuneration which falls under Schedule V of the Companies Act, 2013, with effect from April 01, 2017, which shall not exceed the maximum limit of Rs. 7,20,000 (Rupees Seven Lakh Twenty Thousand Only) per month, on principal terms as detailed herein below:

(a) The Board of Directors will fix the remuneration of the Managing Director from time to time that the Salary, Perquisites and allowances shall not exceed overall ceiling on remuneration approved by the Members in General Meeting. Further, the aggregate value of all the perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Amit Chaudhri, shall not exceed a maximum ceiling of Rs. 7,20,000 (Rupees Seven Lakh Twenty Thousand Only) per month.

(b) The following perquisites shall not be included in the computation of the ceiling on remuneration specified above:

- i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii. Gratuity as per rules of the Company (which shall not exceed one half month's salary for each completed year of service); and
- iii. Encashment of leave at the end of the tenure.

For the purposes of calculating the above ceiling, perquisites will be evaluated as per income-tax Rules, wherever applicable.

(c) Provision for use of the Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

- (d) In the event of no profit or inadequacy of profits in any financial year during the tenure of appointment, the Managing Director shall be paid remuneration by way of salary and perquisites as specified above, subject to the limits prescribed in Schedule V of the Companies Act, 2013 and the approval of Central Government, if required.
- (e) Mr. Amit Chaudhri shall not be subject to retirement by rotation and shall not be eligible for any sitting fees for attending the Company's Board or Committee Meetings.

The information as required under the provisions of Schedule V of the Companies Act, 2013 are furnished below.:

I. General Information:

(i) Nature of Industry

Development of Rail Infrastructure for port connectivity.

(ii) Date or expected date of commencement of commercial production

The Company was incorporated on May 21, 2015 and it proposes to develop rail line between Jaigarh Port and Konkan Railway at Digni. The Company is in the pre-operational stage. The proposed line is expected to be functional in year 2019.

(iii) Operational activities are expected to commence in year 2019.

(iv) Financial performance based on given indicators:

The financial performance of the Company in the FY 2016-17 is as under:

(Amount in Lakhs)

| Financial Parameter | 2016-2017 (Rs.in Lakhs) |
|-------------------------|----------------------------|
| Revenue (Other Income) | 172.02 |
| EBIDTA | 141.73 |
| Profit before Tax (PBT) | 141.56 |
| Profit after Tax (PAT) | 94.32 |
| Networth | 4062.55 |

(v) The Company is not engaged in any export business. The Company has not made any foreign investment and does not have any foreign collaboration.

II. Information about the Appointee:

(i) Mr. Amit Chaudhri has done his MBA in Marketing from Jamnalal Bajaj Institute, Mumbai and also holds a law degree after doing his graduation from Government College, Chandigarh. He brings in more than 27 years of rich experience in handling Projects & Operations pertaining to Infrastructure development, Rail Operations, Statutory requirements & Finance in Rail Logistics, Co-ordination with MOR, RDSO & Railway Board.

(ii) **Past Remuneration, Job Profile, Remuneration Proposed**

Prior to joining the Company, he was working with Kribhco Infrastructure Ltd as CEO drawing a remuneration of Rs. 62 Lakhs per annum. He has worked in senior positions with Container Corporation of India, Central & Western Railway where he joined as IRTS officer.

He has attained various recognitions across his career like General Manager Central Railway's Medal for Outstanding performance consecutively for two years 1995-96.

The increase in remuneration limit proposed is as mentioned in the accompanying resolution.

(iii) **Comparative Remuneration profile with respect to industry, size of the company, profile of the position and person.**

As regards the comparative remuneration profile with respect to industry, size of the company, profile of the position and person, the remuneration payable to Mr. Amit Chaudhri which is proposed for your approval, is at comparable level within the industry standards. The Company has its own distinctive remuneration policy based on its short-term and long-term objectives and role perceived and played by employees at all levels.

Considering his rich experience, competence and the strides made by the Company under his leadership, the terms of his remuneration are considered fair, just and reasonable.

Mr. Amit Chaudhri have no pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel.

III. Other Information – Apprehensions for loss / inadequacy of profits and steps for its improvements:

The Company's business prospects are inextricably linked to over all, industrial growth and more particularly the railway sector. Considering the business of

the company, which is mainly confined to activities in the railway service sector, everything would depend on the overall business environment in the Country as well as the port activities at Jaigarh Port, Ratnagiri, which in turn, depends upon the industrial growth, consumer demand, etc. The Company will take adequate steps and will take proactive measures to safeguard against any adverse effect of the above factors.

The Company has been incorporated on May 21, 2015, is into pre-operational stage and have not commenced its commercial operations.

The net profit is Rs 94.32 Lakhs (PAT) for the year ended March 31, 2017. The Company is however having inadequate profit in relation to the proposed remuneration payable to Mr. Amit Chaudhri in terms of the limits set out in Section 197 of the Companies Act, 2013 and other applicable provisions. The Company however continues to lay considerable thrust on operational excellence, cost consciousness and effective operational management, and is confident of improving its profitability in the coming years.

In view of the relevant provisions of the Schedule V of the Companies Act, 2013 read with the notification issued by the Ministry of Corporate Affairs in the Official Gazette dated September 12, 2016, for payment of remuneration to a Managing Director by a Company having no profit or inadequate profit without Central Government approval, this resolution is being proposed as an Ordinary Resolution.

IV. Conclusion and Disclosures:

Considering the qualification, experience, proven track record and performance of Mr. Amit Chaudhri, vis-à-vis, and efforts required to be put in by him for the implementation and growth of the Company as well as the emerging challenges in the times to come, the remuneration proposed to be paid to Mr. Amit Chaudhri, at the level as mentioned in the above resolution are considered to be quite fair, just and reasonable. The Nomination and Remuneration Committee constituted by the board consisting of two Non-Executive Directors and two Independent Directors of the Board has approved the increase in remuneration limit of Mr. Amit Chaudhri. It may also be noted that the increase in remuneration limit of Managing Director was approved at the meeting of the Board of Directors held on April 24, 2017, subject to the members approval.

He does not hold any equity shares of the Company.

The Company has received the necessary disclosures and certificate from Mr. Amit Chaudhri under the Companies Act, 2013.

Except Mr. Amit Chaudhri, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Your Directors recommend the resolution set out at Item No. 6 of the Notice for your approval.

ITEM NO. 7

Members are aware that the Company is presently in the process to develop rail connectivity between Jaigarh Port and Konkan Railway route at Digni. The project cost involves is Rs 775 crores and in view of the requirements to meet the project cost, capital goods procurement and working capital requirements of the Company, it is proposed to raise the desired resources through issue of equity shares capital.

The Company's present equity capital is Rs. 100,00,00,000 and thus is required to raise further equity capital of about 93,00,00,000 for facilitating the implementation of the rail project. In order to enable the Company to issue equity shares for financing the project it is necessary to enhance the existing authorised capital of the Company from Rs. 100,00,00,000 to Rs. 193,00,00,000 by creation of additional 9,30,00,000 shares of Rs. 10 each aggregating Rs. 93,00,00,000.

For increasing the authorised share capital as aforesaid and making the necessary amendments thereto in the Capital Clause of the Memorandum of Association of the Company, the Company is required to obtain the approval of its shareholders by way of Ordinary Resolution under Section 13 and 61 of the Companies Act, 2013.

None of the Directors or their relatives are in any way concerned or interested in the resolution set out at Item No. 7 in the notice.

Your Directors recommend the resolution at Item No. 7 for your approval.

By order of the Board of Directors
For Jaigarh Digni Rail Limited.



Place : Mumbai

Dated : July 04, 2017

Miraj Shah
Company Secretary



NOTES:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business under item no. 5 to 7 set out above with reasons proposing the Resolution as stated in the Notice is annexed hereto.
2. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY.
3. Shareholders / Proxies should bring their attendance slip duly filled in for attending the meeting.
4. Copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to bring their copies to the meeting.
5. Corporate members are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote at the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members who hold Shares in physical form are requested to write their Folio number in the attendance sheet for attending the meeting kept at the meeting to facilitate the identification of membership.
8. The instrument(s) appointing the Proxy, if any, shall be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting and in default, the instrument of Proxy shall be treated as invalid. Proxies shall not have any right to speak at the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, be issued by the Shareholder organization.
9. Shareholders are requested to intimate the Company, immediately of any change in their mailing address or email address in respect of equity shares held.
10. Shareholders desirous of having any information regarding Accounts are requested to address their queries to the Corporate Office of the Company at least seven days before the date of the Annual General Meeting, so that the requisite information can be made available at the Annual General Meeting.

Directors' Report

To the Members of
JAIGARH DIGNI RAIL LIMITED,

Your Directors take pleasure in presenting the Second Annual Report of the Company, together with the Audited Statement of Financial Accounts for the period ended March 31, 2017.

1. Financial summary or highlights/Performance of the Company

a) Financial Results

(Amount in Lakhs)

| Particulars | Standalone | |
|--|------------|---------|
| | 2016-17 | 2015-16 |
| Revenue from Operations (gross) | 0 | 0 |
| Less: Service Tax | 0 | 0 |
| Revenue from Operations (net) | 0 | 0 |
| Other Income | 172.02 | 97.36 |
| Total Revenue | 172.02 | 97.36 |
| Profit before Interest, Depreciation and Tax Expenses (EBIDTA) | 141.73 | (8.10) |
| Finance costs | 0 | 0 |
| Depreciation & amortization expenses | 0.17 | 0 |
| Profit before Tax (PBT) | 141.56 | (8.10) |
| Tax expenses | 47.24 | 28.67 |
| Profit after Tax | 94.32 | (36.77) |
| Profit brought forward from previous year | (36.77) | 0 |
| Amount available for Appropriation | 57.55 | (36.77) |
| Balance Carried to Balance Sheet | 57.55 | (36.77) |
| Cash Profit | 95.66 | (36.77) |

b) Performance highlights

Standalone

- The operating revenue and other income of your Company for fiscal 2017 is Rs. 172.02 lakhs as against Rs. 97.36 lakhs for fiscal 2016 showing an increase of 77%.

- The EBIDTA increased from Rs. (8.10) lakhs in fiscal 2016 to Rs. 141.73 lakhs in fiscal 2017.
- Profit after tax for the year increased from Rs. (36.76) lakhs in fiscal 2016 to Rs. 94.32 lakhs in fiscal 2017.

2. Operations

Indian economy has now become the fastest growing economy in the world and the railway systems are at the fore - front of all these growths. This reflects that the GDP will continue to grow at 8+%. Significant initiatives in speeding up various railway projects is creating a new paradigm in award of contracts.

During the year, your Company's project has been notified by the Central Government as a "Special Railway Project" in the State of Maharashtra for providing national infrastructure for a public purpose with effect from the date of publication of notification in official gazette dated July 13, 2016.

The Company continues to be engaged in development of rail line including acquisition of necessary land for connecting Jaigarh Port to Konkan Railway network.

The Joint Venture, formalized as Jaigarh Digni Rail Limited ("Company") with JSW Jaigarh Port Limited, Konkan Railway Corporation Limited and Maharashtra Maritime Board (MMB) as its shareholders, has an investment of 63%, 26% and 11% respectively in the equity shares of the Company.

The project of rail link would not only boost industrial growth in the hinterlands but also play a major role in retaining the cargo base of Maharashtra state.

The project is funded through a combination of equity and debt and it would help improve infrastructure, generate employment and also contribute significantly in increasing national trade and industry.

Foundation stone for the rail project was laid by Hon'ble Minister of Railways, Mr. Suresh Prabhu in the august presence of Hon'ble Minister of Ports, Road Transport & Highways, Mr. Nitin Gadkari, Hon'ble Minister of Heavy Industry, Mr. Anant Geete

and Hon'ble Chief Minister of Maharashtra, Mr. Devendra Fadnavis on March 25, 2017.

During the year, alignment of the project, tenders for construction of tunnels and one river crossing major bridge have been finalised. Village-wise proposals for land acquisition have also been submitted to Special Land Acquisition Officer (SLAO) appointed by the Government of Maharashtra.

3. Transfer to Reserves

The Company proposes to transfer Nil amount to the General Reserve and the profit amount of Rs. 57.55 lakhs is proposed to be carried forward to the Balance Sheet.

4. Dividend

Your Directors have deemed it prudent not to recommend any dividend on equity shares for the year ended March 31, 2017, in order to conserve the resources for future growth.

5. Change In Capital Structure

a) Share Capital

The equity share capital of the Company stands unchanged at Rs. 40.05 Crore (March 31, 2016: Rs 40.05 Crore).

The paid up equity shares of the Company is 4,00,50,000 equity shares of Rs. 10 (Rupees Ten only) each.

During the financial year under review, the Company has issued further share capital by way of rights issue.

During the year under review, your Company has not issued any:

- a. shares with differential rights
- b. sweat equity shares
- c. preference shares.

6. Report on Performance of Subsidiaries, Associates and Joint Venture Companies

There are no subsidiaries, associates and joint venture companies of the Company.

7. Deposits

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the details relating to deposits as also requirement for furnishing of details of deposits which are not in compliance with Chapter V of the Act is not applicable.

8. Material Changes and Commitments

In terms of Section 134(3)(l) of the Companies Act, 2013, except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

9. Significant and Material Orders Passed by Regulators or Courts or Tribunal

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

10. Particulars of Loans, Guarantees, Investments and Securities

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the notes forming part of standalone financial statement.

11. Particulars of Contracts or Arrangement with Related Parties

The Audit Committee pre-approves all related party transactions. The details of the related party transactions undertaken during a year are placed at the meeting of the Audit Committee as and when conducted.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and hence provisions of Section 188 of the Companies Act, 2013 are not applicable.

All related party transactions which are in the ordinary course of business and on arm's length basis, of repetitive nature and proposed to be entered during the

financial year are placed before the Audit Committee and the Board for prior approval at the commencement of the financial year and also annexed to this report as Annexure A in Form AOC-2.

The details of transactions / contracts / arrangements entered by the Company with related parties are set out in the Notes to the Financial Statements.

12. Disclosure Under Section 67(3) of The Companies Act, 2013

During the year under review, there were no special resolution passed pursuant to the provisions of Section 67(3) of the Companies Act, 2013 and hence no information as required pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

13. Credit Rating

CRISIL has assigned "CRISIL BBB" (Triple B) rating to the proposed long term loan facilities of the Company.

14. Directors and Key Managerial Personnel

During the period under review, Mr. Amit Chaudhri (DIN: 03512552) was appointed as Managing Director by the Board of Directors and by members of the Company at their meeting held on July 27, 2016 and October 21, 2016 respectively and Mr. Atul Patne (DIN: 00389250) was appointed as an Additional Director by the Board of Directors on October 21, 2016, subject to shareholders approval at the ensuing Annual General Meeting.

The Company has received notice under Section 160 of the Companies Act, 2013 from a shareholder along with requisite deposit signifying its intention to propose the candidature of Mr. Atul Patne as a Director of the Company.

The Company has received declarations from the Independent Director, under Section 149(6) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Capt. BVJK Sharma (DIN: 00017758) and

Mr. Lalit Singhvi (DIN: 05335938) retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

During the year, Mr. Miraj Shah was appointed as Company Secretary and Mr. Pankaj Jhanwar was appointed as CFO of the Company by the Board of Directors at their meeting held on April 27, 2016 and February 18, 2017 respectively.

Mr. Shubhang Joshi was appointed as CFO of the Company on April 27, 2016 who resigned on October 21, 2016.

As disclosed above, there was no other change in the Key Managerial Personnel of the Company during the year.

15. Disclosures related to Board and Committees

a) Board Meetings

The Board of Directors comprised of the following members:

| Name of the Director | Designation |
|-----------------------------|------------------------|
| Capt BVJK Sharma | Non-Executive Director |
| Mr. Lalit Singhvi | Non-Executive Director |
| Mr. Dinesh Kumar | Non-Executive Director |
| Mr. Rashmi Ranjan Patra | Non-Executive Director |
| Mr. Jayesh Bhatt | Non-Executive Director |
| Mr. Mukul Mathur | Nominee Director |
| Mr. Amitabh Sharma | Independent Director |
| Mr. Praveen Kumar | Independent Director |
| Mr. Atul Patne | Non-Executive Director |
| Mr. Amit Chaudhri | Managing Director |

The Board of Directors met four times during the period ended March 31, 2017 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the Board of Directors met during the financial year under review are as under:

| Sr. No | Date of Board Meeting |
|--------|-----------------------|
| 1. | April 27, 2016 |
| 2. | July 27, 2016 |
| 3. | October 21, 2016 |
| 4. | February 18, 2017 |

b) Committees

1. Audit Committee

The Audit Committee of Directors was constituted by the Board of Directors of the Company at their meeting held on April 27, 2016 in accordance with the requirements of the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section.

The Audit Committee is comprised of three members as follows:

| Name | Designation |
|--------------------|-------------|
| Mr. Lalit Singhvi | Chairman |
| Mr. Amitabh Sharma | Member |
| Mr. Praveen Kumar | Member |

The members of the Audit Committee met three times during the period ended March 31, 2017 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the members of Audit Committee met during the financial year under review are as under:

| Sr. No | Date of Audit Committee Meeting |
|--------|---------------------------------|
| 1. | April 27, 2016 |
| 2. | October 21, 2016 |
| 3. | February 18, 2017 |

The scope and terms of reference of the Audit Committee have been in

accordance with the Act.

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of Directors was constituted by the Board of Directors of the Company at their meeting held on April 27, 2016 in accordance with the requirements of Section 178 of the Act.

The Nomination and Remuneration Committee is comprised of four members as follows:

| Name | Designation |
|--------------------|--------------------|
| Mr. Praveen Kumar | Chairman |
| Mr. Lalit Singhvi | Member |
| Mr. Dinesh Kumar | Member |
| Mr. Amitabh Sharma | Member |

The members of the Nomination and Remuneration Committee met three times during the period ended March 31, 2017 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the members of Nomination and Remuneration Committee met during the financial year under review are as under:

| Sr. No | Date of Nomination and Remuneration Committee Meeting |
|---------------|--|
| 1. | July 27, 2016 |
| 2. | October 21, 2016 |
| 3. | February 18, 2017 |

Your Company has devised the Nomination Policy for the appointment of persons to serve as Directors on the Board of your Company and for the appointment of Key Managerial Personnel (KMP) of the Company, who have the capacity and ability to lead the Company towards achieving sustainable development.

Your Company has also devised a Policy for Performance Evaluation of Independent Directors, Board, Committees and other Individual Directors

which includes criteria for Performance Evaluation of the Non-Executive Directors and Executive Directors. On the basis of the Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

Your Company's Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, and pursuant to recommendation of Nomination and Remuneration Committee formulated the policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

The nomination and remuneration policies of the Company are attached herewith marked as Annexure B and Annexure C respectively.

16. Annual Evaluation of Directors, Committee and Board

During the year, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors.

The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as understanding of Board members of their roles and responsibilities, time devoted by the Board to Company's long term strategic issues, quality and transparency of Board discussions, quality, quantity and timeliness of the information flow between Board members and management, Board's effectiveness in disseminating information to shareholders and in representing shareholder interests, Board information on industry trends and regulatory developments and discharge of fiduciary duties by the Board.

Committee performance was evaluated on the basis of their effectiveness in carrying out respective mandates.

The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors at a separate meeting of the Independent Directors.

17. Internal Control Systems

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place has been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

18. Directors' Responsibility Statement

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (a) that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the directors had prepared the annual accounts for the year under review, on a 'going concern' basis
- (e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. Auditors and Auditors Reports

Statutory Auditors

The observations made by the Statutory Auditors in their report for the financial year ended March 31, 2017 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark.

M/s. Shah Gupta & Co., Chartered Accountants, the Auditors of the Company, have been appointed by the shareholders at the previous Annual General Meeting dated October 21, 2016 until the conclusion of 6th Annual general Meeting and require to be ratified at every Annual General Meeting of the Company. They have confirmed their eligibility to the effect that their appointment would be within the prescribed limits under the Act and that they are not disqualified for the continuance of their appointment.

20. Particulars regarding sexual harassment of women at workplace

During the year under review, there were no cases filed pursuant to The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

21. Risk Management Policy

Your Company is in pre-operation stage, hence there is no risk management policy formulated at this stage.

22. Extract of Annual Return

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2017 made under the provisions of Section 92(3) of the Act and as prescribed in Form No. MGT – 9 of the rules prescribed under Chapter VII relating to Management and Administration under the Companies Act, 2013 is attached as Annexure D which forms part of this Report.

23. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy technology absorption and foreign exchange earnings and outgo, required to be furnished pursuant to section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are as under:

- 1) Part A and B of the Rules, pertaining to conservation of energy and technology absorption are not presently applicable
- 2) In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 the information relating to foreign exchange earnings and outgo is provided in the notes forming part of financial statements.

24. Appreciation and Acknowledgements

Your Directors would like to express their appreciation for the co-operation and assistance received from banks, financial institutions, vendors, customers and the shareholders.

Your Directors also wish to place on record their gratitude for the co-operation and guidance provided by Konkan Railway Corporation Limited, Maharashtra Maritime Board, Ministry of Railways and the Government of Maharashtra and other regulatory authorities.

Your Directors take this opportunity to place on record their appreciation for the valuable contribution made by the employees and officers for the progress of the Company.

For and on behalf of the Board of Directors



Amit Chaudhri

Place: Mumbai

Date : April 24, 2017

Managing Director

(DIN: 03512552)



Dinesh Kumar

Director

(DIN: 07065851)

ANNEXURE A

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017 which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

| Name of Related Party | Nature of Relationship | Duration of Contract | Salient Terms | Date of Approval by the Board | Amount (In Rs.) |
|---------------------------|------------------------|----------------------|---|-------------------------------|-----------------|
| Nature of Contract | | | | | |
| Any Other | | | | | |
| JSW Jaigarh Port Limited | Holding Company | 12 months | Reimbursement of expenses like salary, professional fees and statutory payments | April 27, 2016 | 1,62,22,713 |

For and on behalf of the Board of Directors



Amit Chaudhri
(DIN: 03512552)



Dinesh Kumar
(DIN: 07065851)
Director

Place: Mumbai

Date : April 24, 2017

ANNEXURE B

NOMINATION POLICY

1. PREFACE

| | |
|----------------------------|--------------------|
| Title | Nomination Policy |
| Version Number | 1.00 |
| Effective Date | 27.07.2016 |
| Authorised by | Board of Directors |
| Number of Revisions | None |

2. PURPOSE

The primary objective of the Policy is to provide a frame work and set standards that is consistent with the provisions of sections 149, 178 and other applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, for the appointment of persons to serve as Directors on the Board of Jaigarh Digni Rail Limited ("JDRL" / "the Company") and for appointment of the Key Managerial Personnel (KMP) of the Company, who have the capacity and ability to lead the Company towards achieving sustainable development.

Nothing contained in this policy shall apply to the appointment of Directors who are appointed as the Nominees on the Board by the Lenders/other agencies in terms of contractual agreements except as required under the Companies Act, 2013.

Independent Directors for the purpose of the policy shall mean, "Independent Directors" as defined under applicable provisions of the Companies Act as may be in force from time to time.

Senior Management for the purpose of the policy shall mean all the executives of the Company (not being Directors) from the rank of Associate Vice President and above including all Functional Heads.

3. SIZE AND COMPOSITION OF THE BOARD:

It should have:

- Mix of Qualification, skills and experience;
- Mix of Executive, Non-Executive and Independent Directors

- Minimum and maximum number of Directors as may be permitted by its articles, and by law;

The Nomination and Remuneration Committee (Committee) established by the Board shall assist it in fulfilling its responsibilities relating to the size and composition of the Board.

In relation to above, the Nomination and Remuneration Committee is responsible for:

- i. reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board;
- ii. recommendation of a formal and transparent procedure for selecting new Directors for appointment to the Board;
- iii. determining qualifications and identify individuals suitably qualified to become Board members in terms of skills, knowledge, positive attributes, experience, independence of director and other factors as per the provisions of applicable law and selecting or making recommendations to the Board on the selection of individuals nominated for Directorship;
- iv. ensuring that on appointment to the Board by the members of the Company, Independent Directors receive a formal letter of appointment, as required under the applicable law;
- v. assessing the independence of independent non-executive Directors;
- vi. monitoring the annual checks and assessment on the members of the Board, including the suitability and the sufficiency of time commitment of non-executive Directors; and
- vii. any other matter that is specifically delegated to the Committee by the Board.

4. SELECTION:

Recruitment shall be done as and when necessary to fill vacancies in JDRL Board and KMP positions.

The Nomination and Remuneration Committee may also solicit recommendations for appointment of persons as Directors and KMP from any or all of the following sources:

- i. the Chief Executive Officer,
- ii. Senior Management,
- iii. other executive officers or third-party search firms.

The nomination shall be sent to the Chairman of the Nomination and Remuneration Committee via letter or e-mail. The nomination should include

a brief description of the person's qualifications & experience and other relevant details.

In case of Independent Directors, the Committee may identify suitable person(s) from across a diverse candidate pool or from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as Independent Directors, maintained by any Body, institute or association, as may be notified by the Central Government, having expertise in creation and maintenance of such data bank and put on their website for use by the company making the appointment of such Directors. Provided that responsibility of exercising due diligence before selecting a person from the data bank referred to above, as an Independent Director shall lie with the Nomination and Remuneration Committee and Board making such appointment.

The Nomination and Remuneration Committee shall review and evaluate the candidate including his / her qualifications, and conduct inquiries it deems appropriate with no regard to the source of the initial recommendation of such proposed candidate.

After reviewing the profile of the nominated candidate & holding a meeting with the proposed candidate, if it so desires, the Nomination and Remuneration Committee may recommend the candidate for appointment as Director or KMP, as the case may be, to the Board of JDRL, as required.

When recommending a candidate for appointment, the Nomination and Remuneration Committee:

- i. shall assess the appointee against a range of criteria including qualification, age, experience, positive attributes, independence, relationships, diversity of gender, background, professional skills and personal qualities required to operate successfully in the position and has discretion to decide adequacy of such criteria for the concerned position;
- ii. All candidates shall be assessed on the basis of merit, related skills and competencies. There should be no discrimination on the basis of religion, caste, creed or sex.

The recommendation of the Nomination and Remuneration Committee shall be considered at the Board Meeting immediately following the meeting of the Nomination and Remuneration Committee at which the candidature was recommended.

The final decision to appoint a candidate as a Director / KMP of JDRL shall be taken by the Board of Directors by passing an appropriate resolution.

5. PROVISIONS RELATING TO APPOINTMENT / RESIGNATION / REMOVAL:

a. Election, re-election and retirement

The Directors / KMP of the Company shall be appointed and shall retire as per the provisions of the Companies Act, 2013, where applicable, and the prevailing HR policies of the Company. The Board will have the discretion to retain the Director / KMP in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company and subject to compliance with the provisions of the Companies Act, 2013, where applicable.

All new Director appointees to the Board are subject to election at the General Meeting following their appointment. The explanatory statement annexed to the notice of the General Meeting called to consider the said appointment shall indicate the justification for choosing the appointee for appointment as director.

b. Resignation of Director/ KMP

The resignation of a Director shall take effect from the date on which the notice of resignation is received by the Company or the date, if any, specified by the director in the notice, whichever is later or any other provisions as may be applicable.

The resignation of a KMP shall take effect in accordance with the HR Policy of the Company from time to time.

c. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director / KMP/ subject to the internal HR policy and provisions and compliance of the Act and other applicable, rules and regulations.

The Committee can also recommend to the Board, the removal of any Director/ KMP for non-compliance or violation of any laws or rules.

6. GUIDELINES FOR PROFESSIONAL CONDUCT:

All Directors, KMP shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his/ her duties;
- iii. exercise his/ her responsibilities in a bona fide manner in the interest of the company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;

- v. not abuse his/ her position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- vi. assist the Company in implementing the best corporate governance practices.

In addition:

- i. An Independent Director shall not allow any extraneous considerations that will vitiate his/ her exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- ii. An Independent Director shall refrain from any action that would lead to loss of his/her independence;
- iii. Where circumstances arise which make an independent director lose his/ her independence, the independent director must immediately inform the Board accordingly;

Every individual intending to be appointed as director of the Company shall make an application for allotment of Director Identification Number (DIN) (in case he/she does not have a DIN) to the Central Government in such form and manner and along with such fees as may be prescribed. Every person proposed to be appointed as a director by the Company in General Meeting or otherwise, shall furnish his/ her Director Identification Number and a declaration that he/she is not disqualified to become a Director under this Act.

The person appointed as a director shall not act as a director unless he/she gives his/her consent to hold the office as director and such consent has been filed with the Registrar within thirty days of his/her appointment in such manner as may be prescribed.

The person appointed as a director shall not hold office as a director, including any alternate Directorship, in more than twenty companies at the same time. Provided that the maximum number of public companies in which he/she holds office as a director shall not exceed ten.

7. DUTIES OF DIRECTORS:

The persons appointed as a director of the Company shall act in accordance with the articles of the Company and the provisions of applicable law. He/she shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.

The persons appointed as a director shall not involve in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.

The persons appointed as Directors should not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to his/her relatives, partners, or associates. The director should not assign his/her office. Any assignment, if made shall be void.

The persons appointed as Directors also have the following duties:

- To actively participate in the Board and Committee meetings
- To seek information from the management wherever required
- To disclose his/her interest in particular discussion and not to be present during such discussion in committee / board meetings
- To read the agenda and draft minutes carefully and provide inputs, if any
- To abide by the rules, policies, code of conduct of the company as may be applicable
- To safeguard the interests of all stakeholders

8. SUBJUGATION:

This policy shall be subject to the provisions contained in the Articles of Association of the Company, the Companies Act, 2013, any guidelines/directives issued by The Ministry of Corporate Affairs from time to time.

ANNEXURE C

REMUNERATION POLICY

PREFACE

| | |
|----------------------------|---------------------|
| Title | REMUNERATION POLICY |
| Version Number | 1.00 |
| Effective Date | 27.07.2016 |
| Authorized by | Board of Directorsd |
| Number of Revisions | None |
| Last revised date | - |

The Company regards its employees across organisational hierarchy as its most valuable and strategic resource and seeks to ensure a high performance work culture through a fair compensation structure, which is linked to Company and individual performance. At Jaigarh Rail Digni Limited (JDRL), the compensation is linked to the nature of job, skill and knowledge required to perform the given job in order to achieve Company's overall directive.

In terms of Section 178 of the Companies Act, 2013, as amended from time to time, the Nomination and Remuneration committee shall recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other Employees and accordingly this policy has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

I. OBJECTIVES OF REMUNERATION POLICY:

The remuneration for Directors, Key Managerial Personnel (KMP) and other employees of the Company is framed with the following broad objectives:

- i. Remuneration is reasonable and sufficient to attract, retain and motivate directors;
- ii. Motivate KMP and other employees and to stimulate excellence in their performance;
- iii. Remuneration is linked to performance;
- iv. Remuneration Policy balances Fixed & Variable Pay and reflects short & long term performance objectives.

II. APPLICABILITY:

The Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel

- Other employees

III. KEY DEFINITIONS:

- "Board" means Board of Directors of the Company.
- "Directors" mean Directors of the Company
- "Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- "Company" means Jaigarh Digni Rail Limited.
- "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- "Key Managerial Personnel (KMP)" means-
 - the Chief Executive Officer or the managing director or the manager
 - the Company Secretary
 - the Whole-Time Director
 - the Chief Financial Officer
 - Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- "Remuneration" means remuneration as defined under Section 2(78) of the Companies Act, 2013 including any amendment thereof.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

IV. REMUNERATION COMPONENTS:

The remuneration includes fixed and variable pay and retirement benefits, wherever applicable. The compensation is linked to factors such as Company's performance, individual performance and such other factors considered relevant from time to time. Compensation system provides for evaluation & revision of remuneration each year which depends upon individual performance and Company's overall performance.

V. POLICY:

General:

1. The remuneration / compensation / commission etc. to the Whole-time Director and Managing Director, will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. to the Directors shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Managing Director/Whole-time Director/Executive Director shall be in accordance with the overall limits as percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the Schedule V and other applicable rules made thereunder.

3. Where any insurance is taken by the Company on behalf of its Managing Director/Whole-time Director/Executive Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time / Executive / Managing Director

1. Fixed pay:

The Managing Director/Whole-time Director/Executive Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale (fixed) and quantum of perquisites including, employer's contribution to P.F, pension scheme, Gratuity, medical expenses, LTA etc. shall be decided and approved by the Board on the recommendation of the Committee. The remuneration paid shall be approved by the shareholders and Central Government, wherever required.

2. Performance Based Remuneration

In addition to fixed remuneration, the Company may implement a system of performance linked incentives/Variable Pay designed to create a strong relationship between performance and remuneration.

The Company may conduct annual performance appraisals for Managing/Whole Time Director/Executive Director and the Nomination and Remuneration Committee shall recommend to the Board for any variation in the salary within the limits approved/may be approved by the shareholders.

3. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-time Director/Executive Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the approval of the Central Government.

4. Provisions for excess remuneration:

If any Managing Director/Whole-time Director/Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Directors:

1. Remuneration / Commission:

The remuneration / commission shall be fixed within the slabs and as per the conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:

The Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the amount approved by the Board of Directors subject to the provisions of the Companies Act, 2013

3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limits computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

Independent Directors, Promoter Directors and Nominee Directors shall not be entitled to any stock option of the Company.

Remuneration to KMP and other employees:

The KMP and other employees of the Company shall be paid remuneration as per the approved policies.

Amendments to the Policy

The Nomination & Remuneration Committee is responsible for monitoring, implementation and review of this policy. The Nomination & Remuneration Committee shall provide recommendations as and when it deems necessary to the Board as to how to effectively structure and make recommendation as and when required to facilitate a remuneration strategy which will meet the needs of the Company.

In case of any amendments / clarifications etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then this Policy shall stand amended accordingly from the effective date as laid down thereunder.

The compensation for KMP & other employees will be governed by policies implemented by the Company from time to time.

ANNEXURE D

EXTRACT OF ANNUAL RETURN

EXTRACT OF ANNUAL REPORT
As on financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|--|---|--|
| CIN | : | U60232MH2015PLC264711 |
| Registration Date | : | May 21, 2015 |
| Name of the Company | : | Jaigarh Digni Rail Limited |
| Category / Sub-Category of the Company | : | Public Limited |
| Address of the Registered office and contact details | : | Belapur Bhavan, Room No. 516, 5th Floor, Plot No. 6, Sector - 11, CBD Belapur, Navi Mumbai – 400 614 |
| Whether listed company | : | No |
| Name, Address and Contact details of Registrar and Transfer Agent, If any: | : | NA |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products/services | NIC Code of the product/service | % to total turnover of the company |
|---------|--|--|------------------------------------|
| 1 | Development of Railway Network by connecting Jalgarh Port to Konkan Railway network. | 421 – Construction of roads and railways | 100% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and address of the Company | CIN / GLN | Holding / subsidiary / associate | % of shares held | Applicable section |
|---------|---------------------------------|-----------------------|----------------------------------|------------------|--------------------|
| 1 | JSW Jaigarh Port Limited | U45205MH2007PLC166784 | Holding Company | 63 | 2(46) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding:

| | | | | | | | | | |
|--|---|-------------|-------------|-----|---|-------------|-------------|-----|---|
| c) Central Govt | - | - | - | - | - | - | - | - | |
| d) State Govt(s) | - | - | - | - | - | - | - | - | |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | |
| f) Insurance Companies | - | - | - | - | - | - | - | - | |
| g) FIs | - | - | - | - | - | - | - | - | |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | |
| i) Others (specify) | - | - | - | - | - | - | - | - | |
| Sub-total (B)(1): | | | | | | | | | |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | - | - | - | - | - | - | - | - | |
| ii) Overseas | - | - | - | - | - | - | - | - | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | - | - | - | - | - | - | - | - | |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | - | - | - | - | - | - | - | - | |
| c) Others (Trust) | - | - | - | - | - | - | - | - | |
| Sub-total (B)(2): | | | | | | | | | |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | | | | | | | | | |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | - | 4,00,50,000 | 4,00,50,000 | 100 | - | 4,00,50,000 | 4,00,50,000 | 100 | - |

Notes: 1) Bodies Corporate under the head "Promoter" holds shares alongwith its nominee or jointly held with the Company.

2) Maharashtra Maritime Board is a Shareholder under the sub-head "State Govt(s)".

ii. SHAREHOLDING OF PROMOTERS:

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|---------|------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1 | JSW Jaigarh Port Limited | 2,52,31,500 | 63 | - | 2,52,31,500 | 63 | - | - |
| 2 | Konkan Railway Corporation Limited | 1,04,13,000 | 26 | - | 1,04,13,000 | 26 | - | - |
| 3 | Maharashtra Maritime Board | 44,05,500 | 11 | - | 44,05,500 | 11 | - | - |
| | Total | 4,00,50,000 | 100 | - | 4,00,50,000 | 100 | - | - |

iii. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

| Sl. No. | Name of the Shareholder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | JSW Jaigarh Port Limited | | | | |
| | At the beginning of the year | 2,52,31,500 | 63 | 2,52,31,500 | 63 |
| | Purchase/transfer during the year | - | - | - | - |
| | At the End of the year | 2,52,31,500 | 63 | 2,52,31,500 | 63 |
| 2. | Konkan Railway Corporation Limited | | | | |
| | At the beginning of the year | 1,04,13,000 | 26 | 1,04,13,000 | 26 |

| | | | | | |
|---|-----------------------------------|-------------|----|-------------|----|
| | Purchase/transfer during the year | | | | |
| 3 | At the End of the year | 1,04,13,000 | 26 | 1,04,13,000 | 26 |
| 3 | Maharashtra Maritime Board | | | | |
| | At the beginning of the year | 44,05,500 | 11 | 44,05,500 | 11 |
| | Purchase/transfer during the year | - | - | - | - |
| | At the End of the year | 44,05,500 | 11 | 44,05,500 | 11 |

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

| Sl. No. | For each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | At the beginning of the year | - | - | - | - |
| | Purchase/Transfer with the Company | - | - | - | - |
| | At the End of the year (or on the date of separation, if separated during the year) | - | - | - | - |

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

| Sl. No. | For each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | At the beginning of the year | - | - | - | - |
| | Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | - | - | - | - |
| | At the End of the year | - | - | - | - |

Note: The shareholding if any, is in a capacity of nominee and the director/key managerial personnel have no beneficial interest.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| Addition | - | | - | - |
| Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | | - | - | - |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration | *Mr. Amit Chaudhri (Managing Director) |
|---------|---|--|
| 1 | Gross salary | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 36,11,021 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission | - |
| | - as % of profit | - |
| | - others, specify | - |
| 5 | Employers contribution towards PF | 1,66,490 |
| | Total (A) | 37,77,511 |
| | Ceiling as per the Act (Schedule V) | 63,00,000 |

*Mr. Amit Chaudhri was appointed as a Managing Director of the Company with effect from July 27, 2016 and subsequently by the members of the Company at the Annual General Meeting dated October 21, 2016. The remuneration of Managing Director in case of no profit or inadequate profit of the Company is as per the Schedule V of the Companies Act, 2013.

B. Remuneration to Other Directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | Total Amount |
|---------|--|--------------------|-------------------|--------------|
| | 1. Independent Directors | Mr. Amitabh Sharma | Mr. Praveen Kumar | - |
| | Fee for attending board / committee meetings | 80,000 | 80,000 | 1,60,000 |
| | Commission | - | - | - |
| | Others, please specify | - | - | - |
| | Total (1) | 80,000 | 80,000 | 1,60,000 |
| | 2. Other Non-Executive Directors | | | |
| | Fee for attending board / committee meetings | - | - | - |
| | Commission | - | - | - |
| | Others, please specify | - | - | - |
| | Total (2) | - | - | - |
| | Total (B)=(1+2) | - | - | - |
| | Total Managerial Remuneration | 80,000 | 80,000 | 1,60,000 |
| | Overall Ceiling as per the Act | | | NA |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|---|--|---|--|----------|
| | | Company Secretary (Mr. Miraj Shah) w.e.f. 27.04.2017 | CFO (Mr. Shubhang Joshi) up to 30.08.2016 | CFO (Mr. Pankaj Jhanwar) w.e.f. 18.02.2017 | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 4,66,044 | 3,50,721 | 1,11,752 | 9,28,517 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | - others, specify | - | - | - | - |
| 5 | Employers contribution towards PF | 14,785 | 9,845 | 5,585 | 30,215 |
| | Total | 4,80,829 | 3,90,781 | 1,17,337 | 9,88,947 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties/ Punishment/ Compounding of Offences during the year ended March 31, 2017.

38, Bombay Mutual Building,
2nd Floor, Dr. D. N. Road, Fort,
Mumbai - 400 001.

Tel. : +91(22) 2262 3000
Email : contact@shahgupta.com
Web : www.shahgupta.com

Shah Gupta & Co.

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Jaigarh Digni Rail Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Jaigarh Digni Rail Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

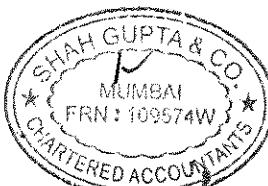
Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (including other comprehensive income) and its cash flows and the changes in equity for the year ended on that date.

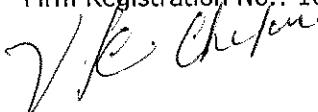
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**Annexure A**' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss(including other comprehensive income), Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the Internal financial controls over financial reporting the Company and operative effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations on its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017 for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. As mentioned in note 28 of the financial statements, the disclosure requirement of specified bank notes as envisaged in notification G.S.R 308(E) dated 30th March, 2017 is not applicable to the Company.

For **SHAH GUPTA & CO.**

Chartered Accountants

Firm Registration No.: 109574W



Vipul K. Choksi

Partner

M.No. 37606

Place : Mumbai

Date : April 24, 2017



ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the financial statements of the Company for the year ended 31st March, 2017:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, there is no immovable property held in the name of the Company.
- 2) There was no inventory held by the company. Accordingly, the provisions of sub-clause (a) and (b) of clause (ii) of paragraph 3 of the Order are not applicable.
- 3) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of sub-clause (a), (b) and (c) of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- 4) In our opinion and according to information and explanations given to us, the Company has not made any loans, guarantee and investments with respect to the provisions of Section 185 and 186 of the Act. Accordingly, the provisions of clause (iv) of paragraph 3 of the Order is not applicable to the Company.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2017 for a period of more than six months from the date on when they become payable.
(b) According to the records of the Company, there are no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not taken any loan either from banks, financial institutions or from the Government and has not issued any debentures. Accordingly, the provisions of clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.



- 11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Act.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order is not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause (xv) of paragraph 3 of the Order is not applicable to the Company.
- 16) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

For **SHAH GUPTA & CO.**

Chartered Accountants

Firm Registration No.: 109574W



Vipul K. Choksi

Partner

M.No. 37606



Place : Mumbai

Date : April 24, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF Jaigarh Digni Rail Limited

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Jaigarh Digni Rail Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & CO.**

Chartered Accountants

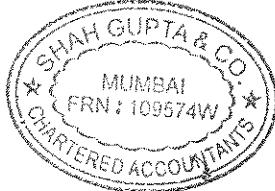
Firm Registration No.: 109574W



Vipul K. Choksi

Partner

M.No. 37606



Place : Mumbai

Date : April 24, 2017

JAIGARH DIGNI RAIL LIMITED

(Date of Incorporation 21st May 2015)
Balance Sheet as at 31st March, 2017

| Particulars | Note no. | INR in Lakhs | |
|---|----------|------------------------|------------------------|
| | | As at 31st March, 2017 | As at 31st March, 2016 |
| ASSETS | | | |
| NON-CURRENT ASSETS: | | | |
| Property, Plant and Equipment | 3 | 0.38 | 0.40 |
| Capital Work-In-Progress | 3 | 310.99 | 64.47 |
| Deferred Tax Assets (Net) | 4 | 1.16 | - |
| Other Non-Current Assets | 5 | 2,416.83 | - |
| Total Non-Current Assets | | 2,729.36 | 64.87 |
| CURRENT ASSETS: | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 6 | 0.24 | 980.77 |
| Bank balance other than cash and cash equivalents | 7 | 1,352.05 | 2,930.60 |
| Other financial assets | 8 | 8.10 | - |
| Other Current Assets | 9 | 50.77 | 8.24 |
| Total Current Assets | | 1,411.16 | 3,919.61 |
| TOTAL ASSETS | | 4,140.52 | 3,984.48 |
| EQUITY AND LIABILITIES | | | |
| EQUITY: | | | |
| Equity Share Capital | 10 | 4,005.00 | 4,005.00 |
| Other Equity | | 57.55 | (36.77) |
| Total Equity | | 4,062.55 | 3,968.23 |
| LIABILITIES: | | | |
| NON-CURRENT LIABILITIES: | | | |
| Financial Liabilities | | | |
| Other financial liabilities | 11 | 15.34 | - |
| Provisions | 12 | 3.16 | - |
| Total Non-Current Liabilities | | 18.50 | - |
| CURRENT LIABILITIES: | | | |
| Financial Liabilities | | | |
| Trade payables | 13 | 9.92 | 1.61 |
| Other financial liabilities | 14 | 28.81 | 6.17 |
| Other Current Liabilities | 15 | 5.33 | 0.85 |
| Provisions | 16 | 0.12 | - |
| Current Tax Liabilities (Net) | 4 | 15.29 | 7.62 |
| Total Current Liabilities | | 59.47 | 16.25 |
| TOTAL EQUITY AND LIABILITIES | | 4,140.52 | 3,984.48 |
| Contingent Liabilities and Commitments | 21 | | |
| Significant Accounting Policies | 1 | | |

The accompanying notes form an integral part of financial statements

As per our attached report of even date

For Shah Gupta & Co,
Chartered Accountants
Firm Registration No: 109574W

Vipul K Choksi

Vipul K Choksi
Partner
M.No. 037606

SHAH GUPTA & CO.
MUMBAI
FRN: 109574W
CHARTERED ACCOUNTANTS

Dated : 24th April 2017
Place : Mumbai

For and on behalf of the Board of Directors

Amit Chaudhri

Amit Chaudhri
Managing Director
DIN : 03512552

Dinesh Kumar

Dinesh Kumar
Director
DIN : 07065851

Pankaj Jhanwar

Pankaj Jhanwar
Chief Financial Officer

Miraj Shah

Miraj Shah
Company Secretary
(M. No. A41912)

Dated : 24th April 2017
Place : Mumbai

JAIGARH DIGNI RAIL LIMITED

JAIGARH DIGNI RAIL LIMITED
 (Date of Incorporation 21st May 2015)
Statement of Profit and Loss for the year ended 31st March, 2017

INR in Lakhs

| Particulars | Note no. | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|--|----------|--|--|
| INCOME | 17 | | |
| Other Income | | 172.02 | 97.36 |
| TOTAL INCOME | 18 | 172.02 | 97.36 |
| EXPENSES | | | |
| Employee Benefits Expense | | 21.50 | 3.63 |
| Depreciation and Amortisation Expense | 19 | 0.17 | - |
| Other Expenses | | 8.80 | 101.83 |
| TOTAL EXPENSES | 20 | 30.46 | 105.46 |
| PROFIT / (LOSS) BEFORE TAX | | 141.56 | (8.10) |
| TAX EXPENSE | 4 | | |
| Current Tax | | 48.40 | 28.67 |
| Deferred Tax (credit) | | (1.16) | - |
| PROFIT/(LOSS) FOR THE YEAR | 4 | 94.32 | (36.77) |
| OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR | | - | - |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR | | 94.32 | (36.77) |
| Earning per share (Rs.) (Face value of equity share of Rs. 10 each) | | | |
| Basic (Rs.) | | 0.24 | (0.09) |
| Diluted (Rs.) | | 0.24 | (0.09) |
| SIGNIFICANT ACCOUNTING POLICIES | 1 | | |

The accompanying notes form an integral part of financial statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Shah Gupta & Co.
 Chartered Accountants
 Firm Registration No: 109574W

Vipul K Choksi
 Partner
 M.No. 037606




 Amit Chaudhri
 Managing Director
 DIN : 03512552


 Dinesh Kumar
 Director
 DIN : 07065851


 Pankaj Jhanwar
 Chief Financial Officer


 Miraj Shah
 Company Secretary
 (C.W.O. No. A41912)

Dated : 24th April 2017
 Place : Mumbai

Dated : 24th April 2017
 Place : Mumbai



JAIGARH DIGNI RAIL LIMITED

Statement of Changes in Equity for the year ended 31st March, 2017

A) EQUITY SHARE CAPITAL

INR in Lakhs

| Balance as at 1st April, 2016 | Changes in equity share capital during the year | Balance as at 31st March, 2017 |
|-------------------------------|---|--------------------------------|
| 4,005.00 | - | 4,005.00 |

| Balance as at 1st April, 2015 | Changes in equity share capital during the year (Date of incorporation 21st May 2015) | Balance as at 31st March, 2016 |
|-------------------------------|---|--------------------------------|
| - | 4,005.00 | 4,005.00 |

B) OTHER EQUITY

INR in Lakhs

| Particulars | Retained Earnings | Total equity attributable to equity holders of the Company |
|--------------------------------|-------------------|--|
| Balance as at 01st April, 2016 | (36.77) | (36.77) |
| Profit / (Loss) for the year | 94.32 | 94.32 |
| Balance as at 31st March, 2017 | 57.55 | 57.55 |

INR in Lakhs

| Particulars | Retained Earnings | Total equity attributable to equity holders of the Company |
|--------------------------------|-------------------|--|
| Balance as at 01st April, 2015 | - | - |
| (Loss) for the year | (36.77) | (36.77) |
| Balance as at 31st March, 2016 | (36.77) | (36.77) |

As per our attached report of even date

For and on behalf of the Board of Directors

Amit Chaudhri

Managing Director

DIN : 03512552

Dinesh Kumar

Director

DIN : 07065851

Pankaj Jhanwar

Chief Financial Officer

Miraj Shah

Company Secretary

(M. No. A41912)

Vipul K Choksi

Partner

M. No. 037606

Dated : 24th April 2017

Place : Mumbai

Dated : 24th April 2017

Place : Mumbai

JAIGARH DIGNI RAIL LIMITED
Statement of Cash Flow for the year ended 31st March, 2017

| Particulars | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 | INR in Lakhs |
|---|--|--|--------------|
| [A] Cash flows from operating activities | | | |
| Profit before tax from continuing operations | 141.56 | (8.10) | |
| Adjustments for: | | | |
| Depreciation and amortisation expense | 0.17 | | |
| Interest income | (172.02) | (97.36) | |
| Provisions for employee benefits | 3.28 | | |
| Operating profit before working capital changes | (27.01) | (105.46) | |
| Adjustments for: | | | |
| (Increase)/ Decrease in trade and other receivables | (2,459.36) | (8.24) | |
| Increase/ (Decrease) in trade and other payables | 35.58 | 16.25 | |
| Cash (used in)/from operations | (2,423.78) | 8.01 | |
| Direct taxes paid (net of refunds) | (2,450.79) | (97.45) | |
| Net cash used in operating activities [A] | (25.54) | (28.67) | |
| | (2,476.33) | (126.12) | |
| [B] Cash flows from investing activities | | | |
| Interest received | 163.92 | 97.36 | |
| Purchase of property, plant and equipment and intangible assets | (246.67) | (64.87) | |
| Fixed deposit with banks | 1,593.79 | (2,694.89) | |
| Margin money with banks | (15.24) | (235.71) | |
| Net Cash (used in) / from investing activities [B] | 1,495.80 | (2,898.11) | |
| [C] Cash flows from financing activities | | | |
| Issue of Shares | | 4,005.00 | |
| Net cash from financing activities [C] | | 4,005.00 | |
| Net increase / (decrease) in cash and bank balances (A+B+C) | (980.53) | 980.77 | |
| Cash and cash equivalents at beginning of the year | 980.77 | | |
| Cash and cash equivalents at end of the year | 0.24 | 980.77 | |

As per our attached report of even date

For Shah Gupta & Co.
Chartered Accountants
Firm Registration No: 109574W

Vipul K Choksi
Partner
M.No. 037606



For and on behalf of the Board of Directors

Amit Chaudhri
Managing Director
DIN : 03512552

Dinesh Kumar
Director
DIN : 07065851

Pankaj Jhanwar
Chief Financial Officer

Miraj Shah
Company Secretary
(C.W. No. A41912)

Dated : 24th April 2017
Place : Mumbai

Dated : 24th April 2017
Place : Mumbai



JAIGARH DIGNI RAIL LIMITED

Notes to the Financial Statements for the year ended March 31, 2017

1. Company overview and Significant Accounting Policies

1.1 Company Overview

Jaigarh Digni Rail Limited ('The Company) has principal objective of development, establishment, financing, construction, operation, maintenance and management of Jaigarh – Digni Rail System.

The Company is a Public Limited Company incorporated on 21st May 2015 and domicile in India has its registered office at Belapur Bhavan, Room No. 516, 5th Floor, Plot No 6, Sector 11, CBD Belapur, Navi Mumbai, Maharashtra 400614. The Company is promoted by JSW Jaigarh Port Limited with 63% shareholding, Konkan Railway Corporation Limited with 26% shareholding and Maharashtra Maritime Board with 11% shareholding.

1.2 Basis of preparation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with *Ind AS 101, First Time Adoption of Indian Accounting Standards*. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note - 2.1.

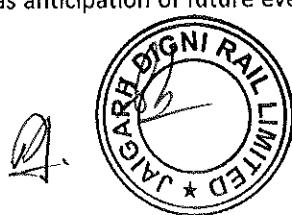
Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Use of estimate and judgment

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Critical accounting estimates

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.



1.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are taken as per schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.6 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

1.7 Financial Instruments

1.7.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through Profit or Loss are added to the fair value on initial recognition. Routine purchase and sale of financial assets are accounted for at trade date.

1.7.2 Subsequent measurement

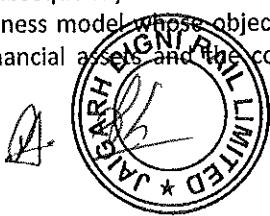
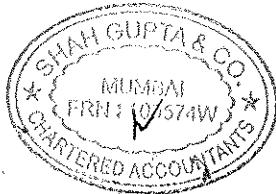
a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on



specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through Profit or Loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through Profit or Loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through Profit and Loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

1.7.3 Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

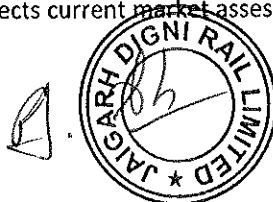
1.8 Impairment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.9 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.



1.10 Earnings per equity share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.11 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to share premium.

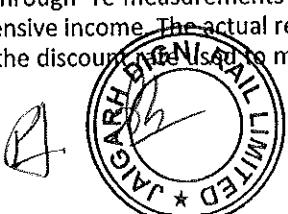
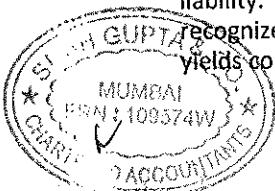
1.12 Employee benefits

1.12.1 Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized



in other comprehensive income. The effect of any plan amendments is recognized in net profit in the Statement of Profit and Loss.

1.12.2 Provident fund

Eligible employees of Jaigarh Digni Rail Limited receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

1.12.3 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.13 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.14 Revenue Recognition

Revenue is recognized on accrual basis. Other income is comprised primarily of interest income which is recognized using the effective interest method.

1.15 Recent accounting pronouncements

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.'

Amendment to Ind AS 7

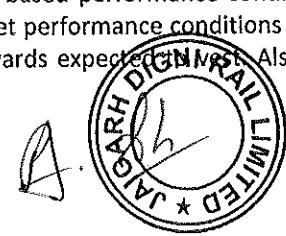
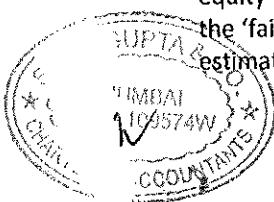
The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance for the measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected. Also, the amendment clarifies that if the terms and



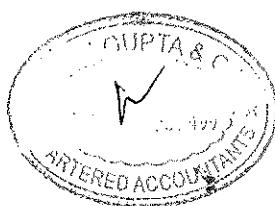
conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled, share based payment transaction, the transaction is accounted for as such from the date of modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the authority is treated as if it was part of an equity settlement.

2. Notes to the Financial Statements for the year ended March 31, 2017

2.1 First-time adoption of Ind-AS

These standalone financial statements of Jaigarh Digni Rail Limited for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - *First Time adoption of Indian Accounting Standard*, with 21st May 2015 as the transition date which is date of incorporation of the Company and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in note 2.1.1 and 2.1.2.



Ranbir



JAIGARH DIGNI RAIL LIMITED

2.1 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

1. Equity as at 31st March, 2016

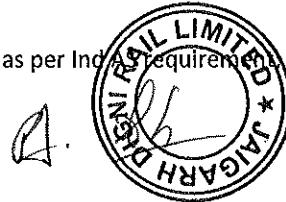
2. Net profit for the year ended 31st March, 2016

2.1.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

INR in Lakhs

| Particulars | As at 31st March, 2016 | | |
|---|------------------------|----------------|-----------------|
| | I GAAP | Adjustment | Ind-AS |
| ASSETS | | | |
| NON-CURRENT ASSETS : | | | |
| Property, Plant and Equipment | 0.40 | - | 0.40 |
| Capital Work-In-Progress | 64.47 | - | 64.47 |
| Deferred Tax Assets | - | - | - |
| Other Non-Current Assets | 235.71 | (235.71) | - |
| CURRENT ASSETS : | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 3,675.67 | - | 980.77 |
| Bank balance other than cash and cash equivalents | - | 235.71 | 2,930.60 |
| Other financial asset | - | - | - |
| Current Tax Assets (Net) | - | - | - |
| Other Current Assets | 29.91 | (21.68) | 8.24 |
| TOTAL ASSETS | 4,006.16 | (21.68) | 3,984.48 |
| EQUITY AND LIABILITIES | | | |
| EQUITY : | | | |
| Equity Share Capital | 4,005.00 | - | 4,005.00 |
| Other Equity | (36.76) | - | (36.77) |
| LIABILITIES : | | | |
| NON-CURRENT LIABILITIES : | | | |
| Financial Liabilities | | | |
| Other financial liabilities | - | - | - |
| Provisions | - | - | - |
| CURRENT LIABILITIES : | | | |
| Financial Liabilities | | | |
| Trade Payable | 1.61 | - | 1.61 |
| Other financial liabilities | - | 7.77 | 6.17 |
| Other Current Liabilities | 7.01 | (7.77) | 0.85 |
| Provisions | 29.30 | (29.30) | - |
| Current Tax Liabilities (Net) | - | 7.62 | 7.62 |
| TOTAL EQUITY AND LIABILITIES | 4,006.16 | (21.68) | 3,984.48 |

Ind AS Adjustments pertain to regrouping of various items as per Ind AS requirement, however there is no transactional Ind AS adjustment.

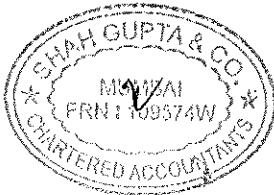


JAIGARH DIGNI RAIL LIMITED
2.1.2 Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind AS

INR in Lakhs

| Particulars | For the year ended 31st March, 2016 | | |
|---|-------------------------------------|------------|----------------|
| | I GAAP | Adjustment | Ind-AS |
| INCOME | | | |
| Other Income | 97.36 | - | 97.36 |
| TOTAL INCOME | 97.36 | - | 97.36 |
| EXPENSES | | | |
| Employee Benefit Expense | 3.63 | - | 3.63 |
| Depreciation and Amortisation Expense | - | - | - |
| Other Expenses | 101.83 | - | 101.83 |
| TOTAL EXPENSES | 105.46 | - | 105.46 |
| Profit Before Exceptional Items and Tax | (8.10) | - | (8.10) |
| Exceptional Items (net) | - | - | - |
| PROFIT / (LOSS) BEFORE TAX | (8.10) | - | (8.10) |
| TAX EXPENSE | | | |
| (1) Current Tax | 28.67 | - | 28.67 |
| (2) Deferred Tax (Credit) | - | - | - |
| PROFIT/(LOSS) FOR THE YEAR | (36.77) | - | (36.77) |
| OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR | - | - | - |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR | (36.77) | - | (36.77) |

Ind AS Adjustments pertain to regrouping of various items as per Ind AS requirement, however there is no transactional Ind AS adjustment.



JAIGARH DIGNI RAIL LIMITED

Notes forming part of financial statement as at 31st March, 2017

NOTE 3:- PROPERTY, PLANT AND EQUIPMENT

INR in Lakhs

| Particulars | Fixed Assets (Office & equipments) | Capital & work-in- progress |
|--|------------------------------------|-----------------------------|
| Cost: | | |
| As at 21-05-2015 (Date of Incorporation) | - | - |
| Additions | 0.44 | 64.47 |
| As at 31-03-2016 | 0.44 | 64.47 |
| Additions | 0.15 | 246.52 |
| As at 31-03-2017 | 0.59 | 310.99 |
| Accumulated Depreciation: | | |
| As at 21-05-2015 | - | - |
| Depreciation charge for the year | 0.04 | - |
| As at 31-03-2016 | 0.04 | - |
| Depreciation charge for the year | 0.17 | - |
| As at 31-03-2017 | 0.21 | - |
| Net book value | | |
| At 21-05-2015 | - | - |
| At 31-03-2016 | 0.40 | 64.47 |
| At 31-03-2017 | 0.38 | 310.99 |



JAIGARH DIGNI RAIL LIMITED

Notes forming part of financial statement as at 31st March, 2017

NOTE 4:- INCOME TAXES

Income tax expense in the statement of profit and loss comprises:

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 | INR in Lakhs |
|----------------|------------------------|------------------------|--------------|
| Current taxes | 48.40 | 28.67 | |
| Deferred taxes | (1.16) | - | |
| | 47.24 | 28.67 | |

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 | INR in Lakhs |
|--|------------------------|------------------------|--------------|
| Reconciliation | | | |
| Profit / (loss) before income tax | 141.56 | (8.10) | |
| Accounting profit / (loss) before income tax | 141.56 | (8.10) | |
| Applicable tax rate | 33.06% | 30.90% | |
| Computed tax expense | 46.81 | (2.50) | |
| Expense not allowed for tax purpose | 0.43 | 31.17 | |
| Other temporary differences | 1.16 | - | |
| Income tax expense charged to the Statement of Profit and Loss | 48.40 | 28.67 | |
| | 48.40 | 28.67 | |

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2017 and March 31, 2016:

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 | INR in Lakhs |
|--|------------------------|------------------------|--------------|
| Income tax assets | 34.20 | 21.68 | |
| Income tax liabilities | 49.49 | 29.30 | |
| Net Current Income Tax Liabilities at the end of the year | (15.29) | (7.62) | |

RECONCILIATION OF DEFERRED TAX ASSETS / (LIABILITIES) NET:

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 | INR in Lakhs |
|---|------------------------|------------------------|--------------|
| Deferred income tax assets | | | |
| Accrued compensation to employees | 1.19 | - | |
| Total deferred tax assets | 1.19 | - | |
| Deferred income tax liabilities | | | |
| Property, plant and equipment | (0.03) | - | |
| Total deferred tax liabilities | (0.03) | - | |
| Tax income / (expense) during the period recognised in profit or loss | 1.16 | - | |

Deferred tax of Rs. 1,16,486 recognised during the year related to timing difference in tax depreciation and book depreciation and employee benefits.



JAIGARH DIGNI RAIL LIMITED

Notes forming part of financial statement as at 31st March, 2017

NOTE 5:- NON-CURRENT ASSETS-OTHER

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 | INR in Lakhs |
|------------------|------------------------|------------------------|--------------|
| Capital advances | 2,416.83 | - | |
| | 2,416.83 | - | |

NOTE 6:- CASH AND CASH EQUIVALENTS

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 | INR in Lakhs |
|----------------------------|------------------------|------------------------|--------------|
| Cash and cash equivalents: | | | |
| Balances with banks: | | | |
| In current accounts | 0.24 | 980.77 | |
| | 0.24 | 980.77 | |

NOTE 7:- BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 | INR in Lakhs |
|---|------------------------|------------------------|--------------|
| Non-current Bank Balance (Margin Money) | 250.95 | 235.71 | |
| In deposit accounts | 1,101.10 | 2,694.89 | |
| | 1,352.05 | 2,930.60 | |

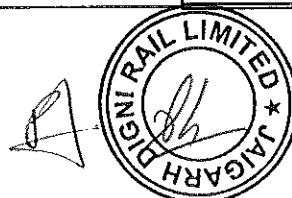
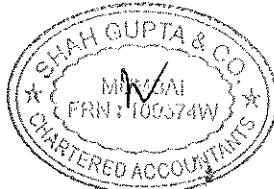
Note: Margin money deposits with a carrying amount of Rs. 2.51 crore (previous year Rs. 2.36 crore) are subject to charge for securing the Company's bank guarantee facility

NOTE 8:- OTHER FINANCIAL ASSETS

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 | INR in Lakhs |
|------------------------------|------------------------|------------------------|--------------|
| Interest accrued but not due | 8.10 | - | |
| | 8.10 | - | |

NOTE 9:- OTHER CURRENT ASSETS

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 | INR in Lakhs |
|-------------------|------------------------|------------------------|--------------|
| Other receivables | 50.77 | 8.24 | |
| | 50.77 | 8.24 | |



JAIGARH DIGNI RAIL LIMITED

Notes forming part of financial statement as at 31st March, 2017

NOTE 10:- EQUITY SHARE CAPITAL

INR in Lakhs

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|------------------------|------------------------|
| Authorised: | | |
| 10,00,00,000 Equity Shares of Rs. 10 each | 10,000.00 | 10,000.00 |
| (10,00,00,000 equity shares of Rs. 10 each as at 31.03.2017 and 31.03.2016) | | |
| Issued: | | |
| 4,00,50,000 Equity Shares of Rs. 10 each | 4,005.00 | 4,005.00 |
| (4,00,50,000 Equity Shares of Rs. 10 each as at 31.03.2017 and 31.03.2016) | | |
| Subscribed and paid-up: | | |
| 4,00,50,000 Equity Shares of Rs. 10 each | 4,005.00 | 4,005.00 |
| (4,00,50,000 Equity Shares of Rs. 10 each as at 31.03.2017 and 31.03.2016) | | |
| | 4,005.00 | 4,005.00 |

(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year:

INR in Lakhs

| Issued share capital | As at 31st March, 2017 | | As at 31st March, 2016 | |
|---------------------------------------|------------------------|-----------------|------------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance at the beginning of the year | 400.50 | 4,005.00 | - | - |
| Issued during the year | - | - | 400.50 | 4,005.00 |
| Balance at the end of the year | 400.50 | 4,005.00 | 400.50 | 4,005.00 |

| Subscribed and paid up | As at 31st March, 2017 | | As at 31st March, 2016 | |
|---------------------------------------|------------------------|-----------------|------------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance at the beginning of the year | 400.50 | 4,005.00 | - | - |
| Issued during the year | - | - | 400.50 | 4,005.00 |
| Balance at the end of the year | 400.50 | 4,005.00 | 400.50 | 4,005.00 |

The Company has not issued any equity shares during the current year.

(b) Terms / rights attached to equity shares:

The Company has one class of share capital, i.e., equity shares having face value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details shareholders holding more than 5 % shares in the Company:

| Particulars | As at 31st March, 2017 | | As at 31st March, 2016 | |
|---------------------------------------|------------------------|----------------|------------------------|----------------|
| | No. of shares | % | No. of Shares | % |
| 1. JSW Jaigarh port Limited | 2,52,31,500 | 63.00% | 2,52,31,500 | 63.00% |
| 2. Konkan Railway Corporation Limited | 1,04,13,000 | 26.00% | 1,04,13,000 | 26.00% |
| 3. Maharashtra Maritime Board | 44,05,500 | 11.00% | 44,05,500 | 11.00% |
| | 4,00,50,000 | 100.00% | 4,00,50,000 | 100.00% |

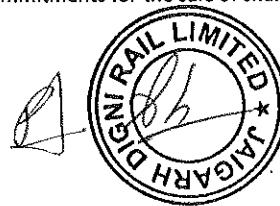
(d) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

(e) The Company has not issued any bonus shares till date.

(f) The Company has not bought back shares till date.

(g) The Company has not issued shares as GDRs

(h) The Company has not paid and proposed any dividend.



JAIGARH DIGNI RAIL LIMITED

Notes forming part of financial statement as at 31st March, 2017

NOTE 11:- NON-CURRENT OTHER FINANCIAL LIABILITIES

INR in Lakhs

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|-----------------|------------------------|------------------------|
| Retention money | 15.34 | - |
| | 15.34 | - |

NOTE 12:- NON-CURRENT PROVISIONS

INR in Lakhs

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---------------------------------|------------------------|------------------------|
| Provision for employee benefits | 3.16 | - |
| | 3.16 | - |

NOTE 13:- CURRENT FINANCIAL LIABILITIES-TRADE PAYABLE

INR in Lakhs

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---------------|------------------------|------------------------|
| Trade Payable | 9.92 | 1.61 |
| | 9.92 | 1.61 |

NOTE 14:- CURRENT-OTHER FINANCIAL LIABILITIES

INR in Lakhs

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|------------------------|------------------------|
| Due to others | 0.45 | 0.46 |
| Due to related parties (Refer Note: 22) | 28.36 | 5.71 |
| | 28.81 | 6.17 |

NOTE 15:- OTHER CURRENT LIABILITIES

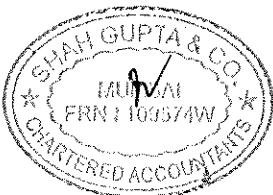
INR in Lakhs

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|----------------|------------------------|------------------------|
| Statutory dues | 1.45 | 0.85 |
| Other payables | 3.88 | - |
| | 5.33 | 0.85 |

NOTE 16:- SHORT-TERM PROVISIONS

INR in Lakhs

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---------------------------------|------------------------|------------------------|
| Provision for employee benefits | 0.12 | - |
| | 0.12 | - |



JAIGARH DIGNI RAIL LIMITED

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

NOTE 17:- OTHER INCOME

INR in Lakhs

| Particulars | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Interest received- deposit with bank | 172.02 | 97.36 |
| | 172.02 | 97.36 |

NOTE 18:- EMPLOYEE BENEFITS EXPENSE

INR in Lakhs

| Particulars | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|---------------------------|-------------------------------------|-------------------------------------|
| Salaries, wages and bonus | 18.22 | 3.63 |
| Gratuity | 2.21 | - |
| Leave encashment | 1.07 | - |
| | 21.50 | 3.63 |

NOTE 19:- DEPRECIATION AND AMORTISATION EXPENSE

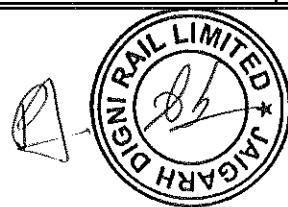
INR in Lakhs

| Particulars | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Depreciation and amortisation expense | 0.17 | - |
| | 0.17 | - |

NOTE 20:- OTHER EXPENSES

INR in Lakhs

| Particulars | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|--------------------------------|-------------------------------------|-------------------------------------|
| Statutory audit fees | 0.75 | 0.50 |
| Director's sitting fees | 1.60 | - |
| Legal and professional charges | 1.39 | 0.11 |
| Travelling expenses | 2.72 | 0.02 |
| Stamp duty | - | 100.09 |
| Miscellaneous expenses | 2.34 | 1.11 |
| | 8.80 | 101.83 |



JAIGARH DIGNI RAIL LIMITED

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

Note 21:- CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent Liabilities:

There is no contingent liability as at 31st March, 2017.

B. Commitments:

The Company has no commitment for any contract remaining to be executed

NOTE 22:- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 24 RELATED PARTY DISCLOSURES

List of Related Parties

| Name | Nature of Relation |
|--|--------------------------|
| JSW Jalgarh Port Limited | Holding Company |
| JSW Infrastructure Limited | Ultimate Holding Company |
| BVK Sharma | Non executive director |
| Atul Nilkanthrao Patne (W.e.f. 21.10.2016) | Non executive director |
| Jayesh Kumar Bhatt | Non executive director |
| Rashmi Ranjan Patra | Non executive director |
| Lalit Kumar Singhvi | Non executive director |
| Amitabh Kumar Sharma | Independent director |
| Dinesh Kochukuttan Thoppil | Non executive director |
| Mukul Saran Mathur | Nominee Director |

Key Managerial Personnel

| Name | Nature of Relation |
|------------------------------------|-------------------------|
| Amit Choudhari (W.e.f. 27.07.2016) | Managing Director |
| Pankaj Jhanwar (W.e.f. 18.02.2017) | Chief Financial Officer |
| Miraj Shah (W.e.f. 27.04.2016) | Company Secretary |

The following transactions were carried out with the related parties in the ordinary course of business:

| Nature of transaction/relationship | INR in Lakhs | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
| JSW Jalgarh Port Limited: | | |
| Salary Reimbursement | 120.90 | 32.84 |
| Business Development Expense Reimbursement | 23.86 | - |
| Stamp Duty Reimbursement | - | 96.09 |
| Other Reimbursement | 15.92 | 4.00 |
| JSW Infrastructure Limited: | | |
| Other Reimbursement | 1.54 | 1.32 |
| | 162.22 | 134.25 |

Amount due to / from related parties

| Nature of transaction/relationship | As at 31st March, 2017 | As at 31st March, 2016 |
|------------------------------------|------------------------|------------------------|
| Accounts payable | | |
| JSW Jalgarh Port Limited | 27.44 | 5.71 |
| JSW Infrastructure Limited | 0.92 | - |
| | 28.36 | 5.71 |

Compensation of key management personnel of the Group

| Nature of transaction / relationship | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|---|-------------------------------------|-------------------------------------|
| Employee benefits expense | 50.88 | 1.27 |
| Total compensation paid to key management personnel | 50.88 | 1.27 |

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.



JAIGARH DIGNI RAIL LIMITED

NOTE 23:- PRE-OPERATING EXPENSES IN CAPITAL WORK IN PROGRESS

| Particulars | INR in Lakhs | |
|---|------------------------|------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| Opening Balance | 64.43 | - |
| Survey & feasibility study | 44.97 | 16.81 |
| Design & consultancy | 40.00 | - |
| Salary & wages | 106.52 | 29.21 |
| Professional fees | 8.14 | 8.60 |
| Business development | 26.86 | 0.72 |
| Bank guarantee | 14.32 | 3.67 |
| Advertisement expenses | - | 5.42 |
| Travelling expenses | 5.75 | - |
| Closing capital work in progress | 310.99 | 64.43 |

NOTE 24:- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS

(a) Defined contribution plans:

Amount of Rs. 4,57,229 (Previous year Rs. 4,469) is recognised as an expense and included in employee benefits expense.

(b) Defined benefit plans:

The following tables summarise the components of net benefit expenses recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans:

| Particulars | INR in Lakhs | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
| Change in benefit obligation | | |
| Present value of benefit obligation at the beginning of the year | - | - |
| Current service cost | 2.21 | - |
| Present value of benefit obligation at the end of the year | 2.21 | - |

Net asset / (liability) recognised in the Balance Sheet

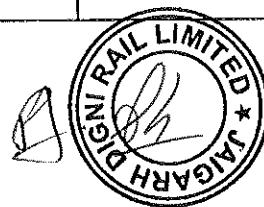
| | | |
|--|------|---|
| Present Value of defined benefit obligation at the end of the year | 2.21 | - |
| Fair value of plan assets at the end of the year | - | - |
| Amount recognised in the balance sheet | 2.21 | - |
| Net (liability) / asset- current | 0.03 | - |
| Net (liability) / asset- non-current | 2.18 | - |

Expenses recognised in the Statement of Profit and Loss for the year

| | | |
|---|-------------|----------|
| Current service cost | 2.21 | - |
| Total expenses included in employee benefits expense | 2.21 | - |
| Recognised in other comprehensive income for the year | - | - |

Maturity profile of defined benefit obligation

| | | |
|--|------|---|
| Within the next 12 months (next annual reporting period) | 0.03 | - |
| Between 2 and 5 years | 0.19 | - |
| Between 6 and 10 years | 2.42 | - |



JAIGARH DIGNI RAIL LIMITED

Quantitative sensitivity analysis for significant assumption is as below:

| | | |
|---|--------|---|
| Increase / (decrease) on present value of defined benefits obligation at the end of the year: | | |
| One percentage point increase in discount rate | (0.20) | - |
| One percentage point decrease in discount rate | 0.24 | - |
| One percentage point increase in rate of salary increase | 0.24 | - |
| One percentage point decrease in rate of salary increase | (0.20) | - |
| One percentage point increase in employee turnover rate | (0.04) | - |
| One percentage point decrease in employee turnover rate | 0.03 | - |

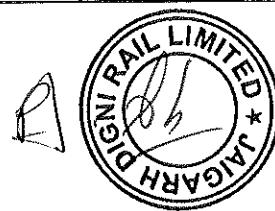
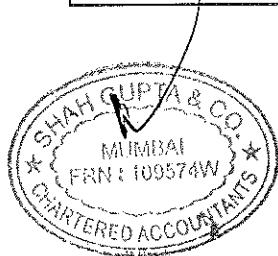
Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

Actuarial assumptions

| | | |
|----------------------------------|--|---|
| Discount rate | 7.34% | - |
| Salary escalation | 6.00% | - |
| Mortality rate during employment | Indian Assured Lives Mortality (2006-08) | - |
| Mortality post retirement rate | N.A. | - |
| Rate of employee turnover | 2.00% | - |

Defined benefit obligation - Other details

| | |
|-----------------------|---|
| No. of active members | 7 |
|-----------------------|---|



JAIGARH DIGNI RAIL LIMITED

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

NOTE 25:- FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

INR in Lakhs

| Particulars | As at 31st March, 2017 | | As at 31st March, 2016 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | Carrying amount | Fair Value | Carrying amount | Fair Value |
| Financial assets at amortised cost: | | | | |
| Cash and bank balances (refer note 6) | 0.24 | 0.24 | 980.77 | 980.77 |
| Other Financial assets - non current (refer note 7) | 1,352.06 | 1,352.06 | 2,930.60 | 2,930.60 |
| Other Financial assets- current (refer note 8) | 8.10 | 8.10 | - | - |
| Total | 1,360.40 | 1,360.40 | 3,911.37 | 3,911.37 |
| Financial liabilities at amortised cost: | | | | |
| Other financial liabilities- non current (refer note 11) | 15.34 | 15.34 | - | - |
| Other financial liabilities- current (refer note 14) | 28.81 | 28.81 | 6.17 | 6.17 |
| Total | 44.15 | 44.15 | 6.17 | 6.17 |

NOTE 26:- FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

The Company operates only in domestic market accordingly no market risk is perceived.

Credit risk

The Company has not started its operations hence no credit risk is perceived.

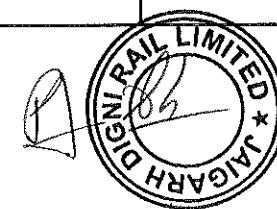
Liquidity risk

The Company's principal source of cash and cash equivalent and the cash flow is contributed by promoters. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirement, accordingly no liquidity risk is perceived.

The Company had a working capital of Rs. 11.00 Crore (previous year Rs. 36.68 Crore) which mainly includes cash and cash equivalent.

INR in Lakhs

| Particulars | Less than 1 year | 1-2 years | 2-4 years | Total |
|--|------------------|-----------|-----------|-------|
| Other financial liabilities (refer note 11 & 14) | 28.81 | - | 15.34 | 44.15 |



JAIGARH DIGNI RAIL LIMITED**Notes forming part of financial statement for the year ended 31st March, 2017****NOTE 27:- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 33 EARNINGS PER SHARE**

| Particulars | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|--|--|--|
| Face value of equity share (Rs.) | 10.00 | 10.00 |
| Weighted average number of equity shares outstanding | 4,00,50,000.00 | 4,00,50,000.00 |
| Profit / (loss) for the year (Rs.) | 94,31,847.00 | (36,77,267.38) |
| Earnings per share (basic and diluted) (Rs.) | 0.24 | (0.09) |

Note 28:- DISCLOSURE OF SPECIFIED BANK NOTES (SBNs)

The Company does not have cash, also the Company has not transacted in specified bank notes as defined in the MCA notification G.S.R. 308 (E) dated 31st March 2016 from period 8th November 2016 to 30th December 2016.

Note 29:- PAYMENT TO AUDITORS

INR in Lakhs

| Particulars | For the year ended 31st March, 2017 | For the year ended 31st March, 2016 |
|--------------|--|--|
| Auditors | 0.75 | 0.50 |
| Total | 0.75 | 0.50 |

Note 30:- SEGMENT REPORTING

Considering the nature of business and operations, there are no separate reportable segments in accordance with the requirements of Ind AS 108 operating segments.

Note 31:-

As the previous year's figure are not for full year hence the current year figures are not comparable.

