

Kanak Resources Management Limited

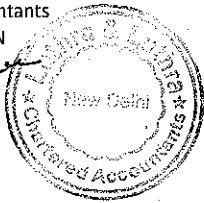
Balance Sheet As At 31st March, 2016

Particulars	Note No.	As At March 31, 2016	As At March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	128,580,000	128,580,000
Reserves and surplus	3	84,931,532	36,715,336
Non - current liabilities			
Long - term borrowings	4	14,908,620	57,030,232
Long - term provisions	5	537,935	1,222,636
Current liabilities			
Short Term Borrowing	6	1,301,597,508	-
Trade payables	7	-	-
- Total Outstanding dues of micro enterprises and small enterprises		-	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		77,885,619	82,843,251
Other current liabilities	8	49,819,127	26,486,649
Short Term Provisions	9	21,406	45,662
Total		1,658,281,747	332,923,766
ASSETS			
Non - current assets			
Fixed assets			
Tangible assets	10	71,918,172	79,357,622
Intangible assets	7	-	8,079
Capital Work in Progress		174,277	4,555,470
Long - term loans and advances	11	28,067,845	28,326,689
Deferred Tax Assets	12	6,461,311	-
Current assets			
Inventories	13	674,336	614,502
Trade receivables	14	261,512,244	211,493,706
Cash and cash equivalents	15	38,543,470	7,667,795
Short - term loans and advances	16	1,250,930,085	899,903
Total		1,658,281,747	332,923,766
Notes 1 to 27 forms part of the financial statements			

As per our separate report of even date attached.

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

Naresh Agrawal
Partner
M.No. 504922



Place : New Delhi
Date : 04.05.2016

For and on behalf of the Board

D. J. Jipthy
Managing Director
A. K. Singh
Chief Financial Officer

Y. S. S.
Director
Dayanand
Company Secretary


Kanak Resources Management Limited

Statement of Profit And Loss for the year ended March 31 , 2016

Particulars	Note No.	For The Year Ended March,31, 2016	For The Year Ended March,31, 2015
INCOME			
Revenue from operations	17	527,001,359	398,560,633
Other income	18	68,594,310	2,528,620
Total Revenue		595,595,669	401,089,253
Expenses:			
Employee benefits expenses	19	6,846,549	11,641,008
Finance costs	20	76,708,702	8,218,112
Depreciation and amortization expenses	10	22,306,668	1,134,794
Operating ,administrative and other expenses	21	423,948,805	331,049,387
Total Expenses		529,810,724	352,043,301
Profit /(Loss) before tax		65,784,945	49,045,952
Tax expenses:			
Current tax		24,030,061	12,820,849
Deferred tax		(6,461,311)	-
Profit / (Loss) for the year after tax		48,216,196	36,225,103
Earnings per equity share: (Nominal Value Rs.10 per share)	22		
Basic		3.75	2.82
Diluted		3.75	2.82
Notes 1 to 27 forms part of the financial statements			

As per our separate report of even date attached.

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


Naresh Agrawal
Partner
M.No. 504922


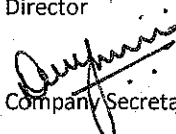


Place : New Delhi
Date : 04.05.2016

For and on behalf of the Board


Managing Director

Chief Financial Officer

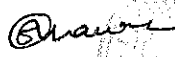

Director

Company Secretary

KANAK RESOURCES MANAGEMENT LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	65,784,945	49,045,952
Adjustments For :		
Depreciation & Amortization	22,306,668	17,073,317
Depreciation & Amortization (Change in Method)	-	(15,938,523)
Employee Benefits	(708,957)	414,387
Finance Charges	76,708,702	8,218,112
Disposal of Fixed Assets	-	808,500
Interest & Other Income	(67,276,741)	(33,260)
Operating Profit before Working Capital Changes	96,814,618	59,588,484
Adjustments for Movement in Working Capital:		
Decrease/(Increase) in Other Current, Other Non-current Assets , Inventories & Trade Receivables	(52,794,918)	(64,019,729)
(Decrease)/Increase in Other Current, Other Non-current Liabilities & Trade Payables	1,610,569	19,523,282
Cash From/ Used In Operating activities	45,630,269	15,092,037
Refund/(Payment) of Advance Tax	(21,667,648)	(10,566,622)
Net Cash From/ (Used) In Operating activities	23,962,621	4,525,415
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed assets	(10,477,953)	(55,523,617)
Short term loans	(1,240,000,000)	
Interest Income		
Interest & Other Income	57,859,535	33,260
Cash From/Used In Investing Activities	(1,192,618,418)	(55,490,357)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of Share Capital	-	-
Receipt of Share Application Money	-	-
Long term borrowing taken/repaid(Secured)	(41,942,807)	48,882,479
Unsecured Loan taken /repaid(Unsecured)	1,301,597,508	16,372,047
Finance Charges	(60,123,230)	(7,846,640)
Cash From/Used In Financing Activities	1,199,531,471	57,407,886
Net Increase /Decrease in Cash and Cash Equivalents	30,875,674	6,442,944
Cash and Cash Equivalents at beginning of the year	7,667,795	1,224,851
Cash and Cash Equivalents as at 31st March 2016	38,543,470	7,667,795
Components of Cash and Cash Equivalents as at:		
Cash & Cheque in hand	-	44,495
Balances with the scheduled banks:		
in Current accounts	38,543,470	7,623,300
	38,543,470	7,667,795

As per our separate report of even date attached.

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


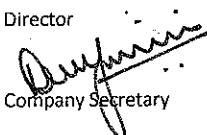

Naresh Agrawal
Partner
M.No. 504922

Place : New Delhi
Date : 04.05.2016

For and on behalf of the Board


Managing Director

Chief Financial Officer


Director

Company Secretary

Note No. 1 - Background and Significant Accounting Policies

A) Background :

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

Presently the Company is running Bin Free Project at Nagpur, Door to Door/ Gate, Municipal Solid Waste collection and transportation at Vadodra and transportation of processing rejects and ash at Ghazipur.

B) Significant Accounting Policies:

I Basis of preparation of Financial Statements

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

II Use of estimates

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

III Fixed Assets

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

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

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

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

IV Capital Work In progress

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

V Depreciation :

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

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

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



VI Intangible assets and amortisation
Intangible assets comprises of software.

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

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

VII Impairment of assets

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

VIII Inventory

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

IX Cash and Cash Equivalents

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

X Cash Flow Statement

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

XI Preliminary Expenses

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

XII Foreign Currency Transactions

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

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

XIII Revenue recognition and receivables

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

Collection, transportation and deposition of municipal solid waste

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

XIV Employee Benefits

a Short term

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

b Long term

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

i. Defined-contribution plans

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



ii. Defined-benefit plans

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

lii. Other Employee Benefits

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

XV Borrowing cost

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

XVI Taxes on Income

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

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

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

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

XVII Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

XVIII Financial Income and Borrowing Costs

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

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

XIX Material Events

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

XX Earnings Per Share

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

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

XXI Leases

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



Note No. 2 - Share Capital

Particulars	As At March, 31 2016		As At March, 31 2015	
	Number	Rupees	Number	Rupees
Authorised Equity Shares of Rs. 10/- each	15,000,000	150,000,000	15,000,000	150,000,000
	15,000,000	150,000,000	15,000,000	150,000,000
Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up (Refer foot notes (a), (b), (c) & (d) below)	12,858,000	128,580,000	12,858,000	128,580,000
Total	12,858,000	128,580,000	12,858,000	128,580,000

a) Terms/Rights attached to Equity Shares

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

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

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

Particulars	Equity Shares		Equity Shares	
	As At March 31, 2016		As At March 31, 2015	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the period	12,858,000	128,580,000	12,858,000	128,580,000
Shares Issued during the period	-	-	-	-
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the period	12,858,000	128,580,000	12,858,000	128,580,000

c) Shareholder holding more than 5 percent shares:

Particulars	Equity Shares		Equity Shares	
	As At March 31, 2016		As At March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
IL& FS Environmental Infrastructure & Services Limited & its Nominees	12,177,999	94.71%	12,177,999	94.71%
Centre for Development Communication	680,000	5.29%	680,000	5.29%
	12,857,999	100.00%	12,857,999	100.00%

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



Kanak Resources Management Limited

Notes forming part of the financial statements for the year ended March 31, 2016

Note No. 3 - Reserves And Surplus

Particulars	As At March 31, 2016	As At March 31, 2015
	Rupees	Rupees
Surplus - Profit and Loss Account		
Opening Balance	36,715,336	496,364
(+) Net Profit for the current period/ year	48,216,196	36,225,104
(-) Charged for Dep.	-	(6,132)
Closing Balance	84,931,532	36,715,336
Total	84,931,532	36,715,336



Kanak Resources Management Limited
Notes forming part of the financial statements for the year ended March 31, 2016

Note No. 4 - Long term borrowings

Particulars	As At March 31, 2016	As At March 31, 2015
	Rupees	Rupees
Secured Loans		
Vehicle Loans	14,908,620	33,993,329
Unsecured Loan from related party	-	22,390,000
Loans and Advances from Parent Company	-	646,903
Total	14,908,620	57,030,232

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

2. Repayment Schedule:

Financial Year	Amount (Rs.)
2016-17	22,636,807
2017-18	14,182,581
2018-19	726,039

Note No. 5- Long Term Provisions

Particulars	As At March 31, 2016	As At March 31, 2015
	Rupees	Rupees
Provision for employee benefits		
For leave encashment	356,639	879,226
For Gratuity	181,296	343,410
Total	537,935	1,222,636

Note No.06- Short Term Borrowing

Particulars	As At March 31, 2016	As At March 31, 2015
	Rupees	Rupees
Secured from related party (refer footnote)	1,301,597,508	-
Total	1,301,597,508	-

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

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



Kanak Resources Management Limited

Notes forming part of the financial statements for the year ended March 31, 2016

Note No. 7- Trade Payables

Particulars	As At March 31, 2016	As At March 31, 2015
	Rupees	Rupees
Trade Payables (Refer footnote (a) below)		
Payable to Micro, Small and Medium Enterprises	-	-
Others	77,885,619	82,843,251
Total	77,885,619	82,843,251

Footnote:

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

Note No. 08 - Other Current Liabilities

Particulars	As At March 31, 2016	As At March 31, 2015
	Rupees	Rupees
Current maturities of Long term Vehicle loans	22,636,807	22,458,002
Interest Accrued and Due-Related Party	-	770,154
Interest Accrued but not due-Related Party	17,529,418	-
Interest Accrued but not due on Vehicle Loan	321,483	495,275
Other liabilities		
Non Trade Payables	1,181,110	953,768
Statutory Dues	8,150,309	1,809,450
Total	49,819,127	26,486,649

Note No.09- Short Term Provisions

Particulars	As At March 31, 2016	As At March 31, 2015
	Rupees	Rupees
Provision for employee benefits		
For leave encashment	17,561	38,549
For Gratuity	3,845	7,113
Total	21,406	45,662



Kanak Resources Management Limited
Notes forming part of the financial statements for the year ended March 31, 2016

Note No. 10- Fixed Assets

Particulars	Gross Block				Accumulated Depreciation			Net Block	
	As at April 1, 2015	Additions	Deletions	As at March 2016	As at April 1, 2015	Depreciation charge for the year	On Disposals	As at March 31, 2016	As At March, 2015
(a) Tangible Assets									
Civil Works	2,876,730	479,596	-	3,356,326	1,906,775	320,267	-	2,227,042	969,955
Office Equipment	8,335,357	1,456,367	-	9,791,724	3,770,647	2,179,066	-	5,949,713	4,564,710
Data Processing Equipment	894,821	100,709	-	995,530	625,121	110,586	-	735,708	269,700
Vehicles	154,290,534	12,754,315	-	167,044,849	80,884,841	19,635,453	-	100,520,294	73,405,593
Furniture and Fixtures	251,630	68,159	-	319,789	104,067	53,224	-	157,290	147,563
Total	166,649,072	14,859,146	-	181,508,218	87,291,451	22,298,596	-	109,590,047	79,357,521
(b) Intangible Assets									
Software	97,132	-	-	97,132	89,053	8,072	-	97,125	8,079
Total	97,132	-	-	97,132	89,053	8,072	-	97,125	8,079
(c) Capital Work in Progress									
Vehicles and others	4,555,470	4,173,199	8,554,392	174,277	-	-	-	174,277	4,555,470
	4,555,470	4,173,199	8,554,392	174,277	-	-	-	174,277	4,555,470
Grand Total	171,301,674	19,032,345	8,554,392	181,779,627	87,380,503	22,306,668	-	109,687,172	83,921,171
Previous year	120,844,187	55,523,617	5,066,130	171,301,674	90,497,208	1,140,926	4,257,631	87,380,503	30,346,979

Foot Note:
Borrowing cost of Rs.82,950/- (P.Y.11,36,462/-) capitalized during the year



Kanak Resources Management Limited

Notes forming part of the financial statements for the year ended March 31, 2016

Note No.11 - Long - Term Loans And Advances

Particulars	As At March 31, 2016	As At March 31, 2015
	Rupees	Rupees
Unsecured, considered good		
Security Deposits	13,119,558	11,166,037
Other loans and advances		
Earnest Money	2,183,000	2,183,000
Other Advances : BG, FDR and Octroi Demand with Corporations	9,507,049	9,507,049
Balance with revenue authorities	2,979,219	2,829,171
Advance Tax (net of tax)	279,019	2,641,432
Total	28,067,845	28,326,689



Kanak Resources Management Limited
Notes forming part of the financial statements for the year ended March 31, 2016

Note No. 12 - Deferred Tax Asset

Particulars	As At March 31, 2016	As At March 31, 2015
	Rupees	Rupees
Difference of WDV as per books and Income Tax	6,280,085	-
Provision for employee benefits	181,226	-
Total	6,461,311	-

Note No. 13 - Inventories

Particulars	As At March 31, 2016	As At March 31, 2015
	Rupees	Rupees
(a) Inventories		
Stores and Spares	674,336	614,502

Note No. 14 - Trade Receivables

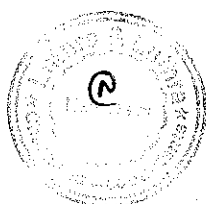
Particulars	As At March 31, 2016	As At March 31, 2015
	Rupees	Rupees
Trade Receivables		
(a) Outstanding for a period exceeding six months from the date they were due for payment (Refer Note 25)		
Considered good	61,305,644	61,503,003
Considered doubtful	1,109,933	1,109,933
(b) Others		
Considered good	200,206,600	149,990,703
	262,622,177	212,603,639
Less : Provision for doubtful debts	1,109,933	1,109,933
Total	261,512,244	211,493,706

Note No. 15- Cash And Cash Equivalents

Particulars	As At March 31, 2016	As At March 31, 2015
	Rupees	Rupees
Cash in Hand		
Imperest Account	-	44,495
Balances with banks		
Bank balance in current accounts	38,543,470	7,623,300
Total	38,543,470	7,667,795

Note No. 16- Short - term loans and advances

Particulars	As At March 31, 2016	As At March 31, 2015
	Rupees	Rupees
Unsecured Short term Loans		
Loans to Related Parties	1,240,000,000	-
Other Loans and Advances		
Interest Accrued and Due	9,417,206	-
Other advances	706,602	466,379
Prepaid expenses	806,277	433,524
Total	1,250,930,085	899,903



Kanak Resources Management Limited

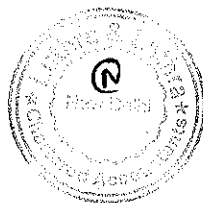
Notes forming part of the financial statements for the year ended March 31, 2016

Note No. 17 - Revenue From Operations

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rupees	Rupees
Revenue from operations		
Contract Fees From Municipality	521,962,237	397,772,999
Contract Fees From IEISL	5,039,122	787,634
Total	527,001,359	398,560,633

Note No. 18 - Other Income

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rupees	Rupees
Other non-operating income		
Interest Income	67,276,741	33,260
Other Income	1,317,569	2,495,360
Total	68,594,310	2,528,620



Note No. 19 - Employee Benefits Expenses

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rupees	Rupees
Employee benefits expenses (Refer footnote (a) below)		
Salaries and wages	5,590,815	9,537,519
Contribution to provident and other funds	183,217	307,314
Staff welfare expenses	1,072,517	1,796,175
Total	6,846,549	11,641,008

Footnote:

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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rupees	Rupees
Salary, bonus and allowances*	1,325,300	5,003,300
Contribution to Provident and other funds	25,200	69,972
Total	1,350,500	5,073,272

(b) Employee Benefit Obligations:

Defined-Contribution Plans

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

Defined-Benefits Plans

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

i. Change in benefit obligation	As at March 31, 2016	As at March 31, 2015
	Rupees	Rupees
Present value of obligation at the beginning of the year	350,523	208,276
Current Service Cost	36,618	80,034
Interest Expenses	27,166	17,703
Actuarial (Gain) / Loss	(223,811)	44,510
Benefits Paid	(5,355)	0
Present value of obligations at the end of the year	185,141	350,523
ii. Expenses recognised in profit & Loss Account	As at March 31, 2016	As at March 31, 2015
	Rupees	Rupees
Current service costs	36,618	80,034
Interest expense	27,166	17,703
Expected return on investment		
Net actuarial gain/(loss) recognized during the year	(223,811)	44,510
Expenditure recognized in the statement of Profit and Loss	(160,027)	142,247
iii. Balance Sheet reconciliation	As at March 31, 2016	As at March 31, 2015
	Rupees	Rupees
Net liability/(asset) at the beginning of the year	350,523	208,276
Expenses as above	-160,027	142,247
Contribution paid	(5,355)	0
(Net liability)/asset at the end of the year	185,141	350,523
The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and expense.		
iv. Principal Actuarial assumptions	As at March 31, 2016	As at March 31, 2015
Rate for discounting liabilities	8.00% p.a.	7.75% p.a.
Expected salary increase rate	6.50% p.a.	6.50% p.a.
Rate of return	-	-

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

Gratuity (Funded Plan)	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit commitments	185,141	350,523	208,276	80,314	62,913
Plan assets	-	-	-	-	-
Unfunded liability transferred from group companies	-	-	-	-	-
(Surplus) / Deficit	185,141	350,523	208,276	80,314	62,913

Gratuity (Funded Plan)	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Experience adjustments on plan commitments	217,112	-19,342	(67,175)	12,587	190
Experience adjustments on plan assets	-	-	-	-	-

Company contribution for next year is Rs. 66,605/-



Kanak Resources Management Limited
Notes forming part of the financial statements for the year ended March 31, 2016

Note No. 20 - Finance Cost

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rupees	Rupees
Interest on Vehicle Loan	6,541,831	3,839,903
Interest on Unsecured Loan from related party	2,519,642	3,470,450
Interest on Secured Loan from related party	66,929,004	-
Other Finance Charges	718,225	907,759
Total	76,708,702	8,218,112

Note No. 21 - Operating, administrative and other expenses

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Rupees	Rupees
Direct Expenses for Collection, Segregation and disposal of waste	279,164,750	206,259,287
Power & Fuel	85,328,409	83,375,735
Stores and spares	13,159,481	10,532,074
Repair & Maintenance - Machinery	7,640,232	5,321,266
Security charges	2,453,152	1,741,593
Outsource labour cost	4,611,094	2,355,972
Repair & Maintenance-Others	156,139	83,551
Rent	808,145	684,450
Vehicle Insurance	697,972	487,106
Auditors' remuneration (Refer footnote (a) below)	585,850	168,540
Legal and professional fees	22,448,654	14,089,316
Director Sitting Fee	310,000	-
Travelling and conveyance	1,553,683	1,938,588
Office maintenance	3,638,307	2,520,333
Loss on Sale of Asset	-	283,499
Communication expenses	385,433	412,238
Printing and Stationery Expenses	475,659	327,537
Business promotion expenses	203,328	56,523
Advertisement expenses	123,050	207,726
Bank Charges	33,337	11,314
Miscellaneous expenses	172,131	192,738
Total	423,948,806	331,049,386

Footnote:

(a) Auditors' remuneration

a. Audit fee	350,000	150,000
b. Other Services	200,000	-
b. Service tax	35,850	18,540
	585,850	168,540



Kanak Resources Management Limited
Notes forming part of the financial statements for the year ended March 31, 2016

Note No. 22 - Earnings Per Equity Shares

Particulars	Unit	For the year Ended March, 31,2016	For the year Ended March, 31,2015
Earnings Per Equity Shares:			
Net profit after tax	Rupees	48,216,196	36,225,103
Weighted average number of equity shares outstanding during the year	Numbers	12,858,000	12,858,000
Nominal Value of Equity Shares	Rupees	10.00	10.00
Basic Earnings per Share	Rupees	3.75	2.82
Equity shares used to compute diluted earnings per share	Numbers	12,858,000	12,858,000
Diluted Earnings per Share	Rupees	3.75	2.82



Note No. 23 - Related Party Disclosures

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

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

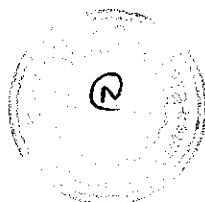
Nature of Relationship	Name of Entity	Acronym used
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Holding Company :	IL & FS Environmental Infrastructure & Services Limited	IEISL
Fellow Subsidiaries	IL&FS Financial Services Ltd	IFIN
	IL&FS Maritime Infra Comp Ltd	IL&FS Maritime
	IL&FS Renewable Energy Ltd	IREL
	Hill County Properties Ltd	Hill County Properties Ltd
	Sabarmati Capital One Limited	SCOL
	IL&FS Transportation Networks Ltd	ITNL
	IL & FS Securities Services Limited	ISSL
Investors with ability to exercise significant influence	Centre for Development Communication (till 30 June 2015)	CDC
	Greentech Infra Private Limited (till 30 June 2015)	Greentech
	Vidharbha Waste Management Pvt. Limited (till 30 June 2015)	VWMPL
Key Management Person & Directors :	Mr. Vivek Agrawal (till 30 June 2015)	Mr. Vivek Agrawal
	Sanditta Mal Nagpal	Sanditta Mal Nagpal
	Sant Sujat Soni	Sant Sujat Soni
	Mr. Debashish Tripathy (from 10 September 2015)	Mr. Debashish Tripathy

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

Balances	Name of Entity	As At March 31, 2016	As At March 31, 2015
Payables			
Equity Share Capital	IEISL	121,779,990	121,779,990
Unsecured Loan	IEISL	-	22,390,000
Secured Loan	IFIN	1,301,597,508	-
Trade Payable	VWMPL	-	3,772,097
Trade Payable	IEISL	11,861,016	26,946,693
Interest Payable	IEISL	-	770,154
	IFIN	17,529,418	-
Other Payable	Mr.Vivek Agrawal	-	126,500
Other Payable	CDC	-	1,201,233
Receivables			
Trade Receivable	IEISL	2,441,899	38,945
Unsecured Loan	IL&FS Maritime	270,000,000	-
	Hill County Properties Ltd	200,000,000	-
	ITNL	770,000,000	-
	ITNL	9,417,206	-

Transactions*	Name of Entity	As At March 31, 2016	As At March 31, 2015
Interest Expense	IEISL	2,519,642	3,770,308
	IFIN	66,929,004	-
Interest Income	IREL	29,751,507	-
	IL&FS Maritime	10,777,809	-
	SCOL	3,223,151	-
	ITNL	15,202,740	-
	Hill County Properties Ltd	7,983,562	-
Professional fees	ISSL	18,920	18,425
	IEISL	14,420,340	10,833,895
Loan Taken	IFIN	1,880,000,000	-
Loan Repaid	IEISL	22,390,000	-
	IFIN	578,402,492	-
Short term loan given	Hill County Properties Ltd	200,000,000	-
	IL&FS Maritime	270,000,000	-
	IREL	1,130,000,000	-
	ITNL	1,130,000,000	-
	SCOL	230,000,000	-
Short term loan received back	IREL	1,130,000,000	-
	ITNL	360,000,000	-
	SCOL	230,000,000	-
Lease Rent Paid	IEISL	22,033,647	14,425,165
Office Rent Paid	IEISL	859,876	-
Managerial Remuneration	Mr.Vivek Agrawal	1,350,500	-
	Sanditta Mal Nagpal	155,000	-
Director Sitting Fees	Sant Sujat Soni	155,000	-
Office Expenses (up to 30.06.2015)	CDC	109,808	1,261,995
Payment for Vehicles (up to 30.06.2015)	CDC	1,559,564	5,077,737
Sub Contract Expense (up to 30.06.2015)	VWMPL	3,661,535	14,109,467

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



Kanak Resources Management Limited
Notes forming part of the financial statements for the year ended March 31, 2016

Note No. 24 - Foreign Currency Transactions

	Unit	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Travelling Expenses	Rupees	10,294	357,435

Note No. 25 - Litigations

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

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


Note No. 26

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

Note No. 27

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

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


Naresh Agrawal
Partner
M.No. 504922



Place : New Delhi
Date : 04.05.2016

For and on behalf of the Board


Managing Director

Chief Financial Officer


Director

Company Secretary