

INDEPENDENT AUDITORS' REPORT

**To the Members of
Arshiya Rail Infrastructure Limited**

Report on the Audit of Financial Statements

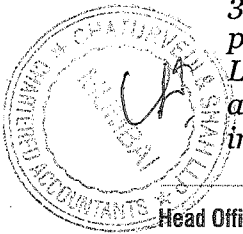
Qualified Opinion

We have audited the accompanying Financial Statements of **Arshiya Rail Infrastructure Limited ('the Company')**, which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "the Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the financial position of the Company as at 31st March 2021, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

- i. *As mentioned in the Note No. 55 to the financial statement, the Company has provided penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%. The interest provisions in earlier period / years till 30th September 2019 were accounted based on the confirmations received from EARC at 8% penal interest rate. It has resulted in the short provision of interest amounting to Rs. 681.91 Lakh till the year ended 31st March 2020 and for year ended 31st March 2021 amounting to Rs. 2,069.29 Lakh, which is not in compliance with Ind AS-23 "Borrowing Cost" read with Ind AS-109 "Financial Instruments". In aggregate interest provisions are lower by Rs. 2,751.20 Lakh till 31st March 2021. Had interest been recognised at its documented rate, finance cost for the year ended 31st March 2021 and earlier years would have been higher and net loss after tax for the year and total comprehensive income would have been higher by equivalent amount, having consequential impact on other equity.*
- ii. *As mentioned in Note No. 49 of the financial statement, Company failed to make payment as prescribed as per one time settlement with lender. As a result, event of default has occurred and the entire debt prior to date of settlement become payable along with interest. The Company has not reversed the gain recorded in earlier year and not provided for additional interest till 31st March 2020 Rs. 5,975.95 Lakh and for the year ended 31st March, 2021 Rs. 3,036.20 Lakh, aggregating to Rs. 9,012.15 Lakh till 31st March, 2021. Had the Company reversed the gain recorded in earlier year and provided for additional interest, exceptional item would have been lower by Rs. 6,604.55 Lakh and finance cost would have been higher by Rs. 9,012.15 Lakh by equivalent amount as mentioned above, having consequential impact on total comprehensive income and other equity.*



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We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to the Note no. 46 of the financial statement, which indicate that the Company is unable to pay its dues to operational and financial creditors, the Company has defaulted in repayment of dues to lenders and started recovery proceeding, some of the lenders have even called back their loans, lenders has applied before NCLT under Insolvency and Bankruptcy Code, 2016 for Company and the Company have accumulated losses as at 31st March, 2021 is resulting in negative net worth. These matters including other matters as set out in the notes indicate that a material uncertainty exists that may cast significant doubt about company's ability to continue as a going concern. Arshiya Limited, the parent company, has given support letter to extend, for the foreseeable future, any financial support which may be required by the Company. Further, in view of various steps taken by the management, future outlook as assessed by the management and business plans and in lieu of the support letter from the parent company, the management has assessed the Company continues to be a going concern. The said assumption of going concern is dependent upon Company's plans and generates cash flows to meet its obligations. Our opinion is not modified in respect of the said matter.

Emphasis of Matter

- i. We draw attention to the note no. 52 of the financial statement, during the course of preparation of financial statements for the year ended 31st March 2021, e-mails have been sent to lenders by the Company with a request to confirm their balances directly to auditors. As at 31st March 2021, direct balance confirmations of total borrowings including interest accrued (including current maturities and current borrowings), aggregating to Rs. 67,506.26 Lakh have not been received. Out of these, the Company has received statements / confirmations amounting to Rs. 47,223.60 Lakh which have been provided to us. The management is confident and is of the view that there will not be any material variation in its liabilities.
- ii. As at 31st March, 2021 balance confirmation of capital advance amounting to Rs. 1,001.64 Lakh have not been received by the Company.

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the annual report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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 read with relevant rules issued there under. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

That Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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



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

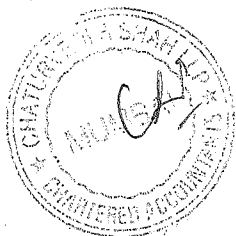
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.



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2. Further to our comment in the Annexure A, as required by Section 143 (3) of the Act, we report that:
- 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;
 - Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above*, 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;
 - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above*, in our opinion, the aforesaid financial statements comply with Ind AS prescribed under Section 133 of the Act read with relevant rules there under;
 - On the basis of the written representations received from the directors of the Company as on 31st March, 2021 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
 - The matters described in the paragraphs above "Material Uncertainty Related to Going Concern", in our opinion, may have an adverse effect on the functioning of the Company;
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**";
 - The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
 - In our opinion and to the best of our information and according to the explanations given to us, the provisions of section 197 of the act is not applicable to the company since no managerial remuneration is paid / provided.



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- j. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company, as detailed in Note no. 36 and 53 to the financial statements has disclosed the impact of pending litigations on its financial position.
 - ii. The Company does not have any long term contracts including derivative contracts and hence there are no material foreseeable losses.
 - iii. There is no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Registration No. 101720W/ W100355



Vijay Napawaliya

Partner

Membership No. 109859

UDIN : 21109859AAAADB6704



Place: Mumbai

Date: 30th June 2021

"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Rail Infrastructure Limited on the financial statements for the year ended 31st March 2021)

- (i) In respect of property, plant and equipment:-
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.
- (b) As explained to us, the Company has physically verified property, plant and equipment, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification as compared with the available records.
- (c) In our opinion and according to information and explanation given to us and on the basis of our examination of available records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In respect of its inventories:-
The Company does not have any inventory at year end. Therefore, the provisions of paragraph 3 (ii) of the Order are not applicable to the Company.
- (iii) 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 Companies Act, 2013. Therefore, the provision of paragraph 3 (iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of providing guarantees and loans. The Company has not made investment and given securities.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified. During the year, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of Rail operations. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.



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- (vii) (a) According to the records of the company and information and explanations given to us, the Company has generally been regular except slight delays in few cases, in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, duty of excise, goods and service tax, cess and any other statutory dues to the appropriate authorities as applicable during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable except Tax deducted at Source and Service Tax amounting to Rs. 647.33 Lakh and Rs. 23.46 Lakh, respectively and interest on tax deducted at source and interest on service tax amounting to Rs. 615.14 Lakh and Rs. 40.38 Lakh, respectively.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax and goods and service tax, which have not been deposited on account of any dispute.
- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at balance sheet date except as mentioned below. There are no dues to debenture holders and government as at the balance sheet date.



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Defaults in respect of bank and financial institutions are as under:-**(Rs. In Lakh)**

Particulars	Amount of continuing default as on 31st March, 2021		Period of Default
	Principal	Interest	
Edelweiss Asset Reconstruction Company Limited- through Various trust	-	1,175.12	Financial Year 2017-2018
	-	4,070.92	Financial Year 2018-2019
	3,630.33	12,919.82	Financial Year 2019-2020
	10,173.93	4,449.89	Financial Year 2020-2021
Edelweiss Asset Reconstruction Company Limited - Short Term Priority Loan	3,000.00	630.04	Financial Year 2018-2019
	-	774.24	Financial Year 2019-2020
	-	944.07	Financial Year 2020-2021
Corporation Bank	-	676.15	Financial Year 2013-2014
	-	616.80	Financial Year 2014-2015
	1,549.10	725.71	Financial Year 2015-2016
	-	901.75	Financial Year 2016-2017
	-	1,059.67	Financial Year 2017-2018
	-	1,303.57	Financial Year 2018-2019
	-	1,459.54	Financial Year 2019-2020
	-	1,715.07	Financial Year 2020-2021
Bank of India	1,834.00	-	Financial Year 2018-2019
	-	4.20	Financial Year 2020-2021
Karur Vysya Bank Limited	-	288.90	Financial Year 2013-2014
	-	259.72	Financial Year 2014-2015
	836.18	310.23	Financial Year 2015-2016
	-	385.48	Financial Year 2016-2017
	-	452.98	Financial Year 2017-2018
	-	1,120.39	Financial Year 2018-2019
	-	730.72	Financial Year 2019-2020
	-	876.60	Financial Year 2020-2021
Total	21,023.54	37,851.58	

(ix) According to the information and explanations given to us, the Company did not raise any moneys by way of initial public offer, further public offer (including debt instruments) and no term loans was raised during the year. Therefore, the provision of clause 3(ix) of the Order are not applicable to the company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.



Continuation sheet...

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- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid or provided managerial remuneration during the year.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For Chaturvedi & Shah LLP

Chartered Accountants

Registration No. 101720W/ W100355

Vijay Napawaliya

Partner

Membership No. 109859

UDIN : 21109859AAAADB6704



Place: Mumbai

Date: 30th June 2021

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"Annexure B" to the Independent Auditor's Report

Referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of the Arshiya Rail Infrastructure Limited on the financial statements for the year ended 31st March 2021.

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 with reference to financial statements of Arshiya Rail Infrastructure Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the 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 with reference to financial statements 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. 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 reference to financial statements.



Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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, 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

Based on our audit, information & explanation provided by the management, the material weaknesses have been identified in the Company's internal financial controls with reference to Financial Statements as at 31st March, 2021 i) with regard to providing penal interest at 8% on borrowing from Edelweiss Assets Reconstruction Company Limited (EARC) as against the documented rate of 18%, ii) Non reversal of gain recorded in earlier year due to failure to make payment as prescribed as per one time settlement with lender.

Qualified Opinion

In our opinion and to the best of information and according to explanations given to us, the Company has maintained adequate internal financial controls with reference to financial statements as at March 31, 2021 based on the internal control with reference to financial statements 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 ICAI and except for possible effects of the material weakness described in the Basis of Qualified Opinion paragraph above on the achievement of the objectives of the Control criteria, the Company's internal financial control with reference to financial statements were operating effectively as at 31st March, 2021.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.



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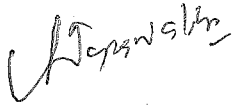
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We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of financial statements of the Company for the year ended 31st March, 2021, and these material weakness do not affect our opinion on the financial statements of the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Registration No. 101720W/ W100355



Vijay Napawaliya

Partner

Membership No. 109859

UDIN : 21109859AAAADB6704



Place: Mumbai

Date: 30th June 2021

ARSHIYA RAIL INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT MARCH 31, 2021

(Rupees in lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5 A	85,067.23	1,02,304.94
(b) Right of use assets	5 B	142.39	568.90
(c) Intangible Assets	6	2,124.60	2,474.49
(d) Financial Assets			
(i) Other Financial Assets	7	346.67	649.91
(e) Other Non-Current Assets	8	1,291.63	1,321.25
		88,972.52	1,07,319.49
Current assets			
(a) Financial Assets			
(i) Trade Receivables	9	344.19	1,032.41
(ii) Cash and Cash Equivalents	10	33.90	76.63
(iii) Loans	11	-	307.97
(iv) Bank Balances Other than (ii) above	12	275.09	289.34
(v) Other Financial Assets	13	422.43	500.38
(b) Other Current Assets	14	547.73	1,035.80
		1,623.34	3,242.53
TOTAL ASSETS		90,595.86	1,10,562.02
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	5,967.16	4,238.44
(b) Share capital suspense account	15	-	1,728.72
(c) Other Equity	16	(41,354.58)	(24,997.01)
		(35,387.42)	(19,029.85)
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	43,180.82	47,431.25
(ii) Lease Liabilities	18	46.97	254.64
(iii) Other Financial Liabilities	19	-	35.51
(b) Provisions	20	38.42	81.43
(c) Other Non-Current Liabilities	21	97.82	1,266.83
		43,364.03	49,069.66
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	17,377.86	18,191.30
(ii) Trade Payables	23		
(A) Total outstanding dues of Micro and Small Enterprises		62.47	44.20
(B) Total outstanding dues of creditors Other than Micro and Small Enterprises		900.09	1,421.09
(iii) Lease Liabilities	24	121.59	363.94
(iv) Other Financial Liabilities	25	62,463.43	57,696.25
(b) Other Current Liabilities	26	1,686.38	2,792.91
(c) Provisions	27	7.43	12.52
		82,619.25	80,522.21
TOTAL EQUITY & LIABILITIES		90,595.86	1,10,562.02

Notes to the financial statements

1-60

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number 101720W/W100355

For and on behalf of Board of Directors of

Arshiya Rail Infrastructure Limited

Vijay Napawaliya

Partner

Membership Number. 109859



Place : Mumbai

Date: June 30, 2021

Ajay S Mittal

Director

DIN : 00226355

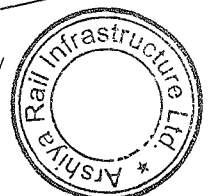
Navnit Choudhary

Director

DIN : 00613576

Abhijit Mehta

Company Secretary



ARSHIYA RAIL INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Rupees in lakhs)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from operations	28	7,697.41	14,548.08
Other income	29	4,084.49	582.63
Total Income (I)		11,781.90	15,130.71
EXPENSES			
Cost of operations	30	5,868.10	11,791.31
Employee benefits expenses	31	1,053.36	1,381.50
Finance costs	32	15,648.58	13,127.78
Depreciation and amortization expenses	33	4,784.81	6,627.60
Other expenses	34	794.31	1,238.98
Total Expenses (II)		28,149.16	34,167.17
Loss before tax (I - II)		(16,367.26)	(19,036.46)
Tax expense:	45		
Current tax		-	-
Deferred tax		-	-
Loss for the year		(16,367.26)	(19,036.46)
OTHER COMPREHENSIVE INCOME (OCI)			
Item not to be reclassified to profit and loss :			
Remeasurement of gains/ (losses) on defined benefit plans	38	9.69	22.74
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(16,357.57)	(19,013.72)
Earnings per Equity shares (Face Value Rupees 10 each)	35		
Basic/ Diluted earnings per share (In Rupees)		(27.43)	(31.90)

Notes to the financial statements

1-60

As per our Report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

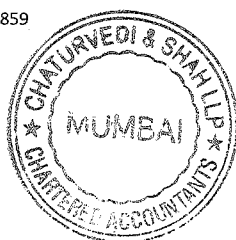
For and on behalf of Board of Directors of
Arshiya Rail Infrastructure Limited

Vijay Napawaliya
Partner
Membership Number. 109859

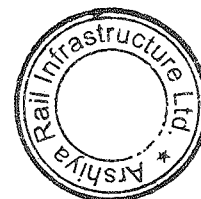
Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

Place : Mumbai
Date: June 30, 2021



A.S. Mehta
Abhijit Mehta
Company Secretary



ARSHIYA RAIL INFRASTRUCTURE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A Equity Share Capital (Refer Note 15)

Particulars	(Rupees in lakhs) Amount
Equity Shares of Rupees 10 each issued, subscribed and paid up	
As at April 1, 2019	
Equity Shares	4,238.44
Issue of equity share during the year	-
As at March 31, 2020	4,238.44
Equity Shares	4,238.44
Issue of equity share during the year	1,728.72
As at March 31, 2021	5,967.16

B Share Capital Suspense Account (Refer Note 15)

Particulars	(Rupees in lakhs) Amount
As at April 1, 2019	1,728.72
Share Suspense Account	-
As at March 31, 2020	1,728.72
Share issued during the year	(1,728.72)
As at March 31, 2021	-

C Other Equity (Refer Note 16)

Particulars	Reserve & Surplus		Equity Component of Guarantee given by Parent Company	Equity Component of loan from Parent Company	Equity Component of Zero% Optionally Convertible Preference shares (OCRPS)	Total
	Securities Premium Account	Retained Earnings				
As at April 1, 2019	87,898.46	(97,615.55)	2,709.73	504.98	519.09	(5,983.29)
Loss for the year	-	(19,036.46)	-	-	-	(19,036.46)
Other comprehensive income	-	22.74	-	-	-	22.74
Total comprehensive income for the year	-	(19,013.72)	-	-	-	(19,013.72)
As at March 31, 2020	87,898.46	(1,16,629.27)	2,709.73	504.98	519.09	(24,997.01)
Loss for the year	-	(16,367.26)	-	-	-	(16,367.26)
Other comprehensive income	-	9.69	-	-	-	9.69
Total comprehensive income for the year	-	(16,357.57)	-	-	-	(16,357.57)
As at March 31, 2021	87,898.46	(1,32,986.84)	2,709.73	504.98	519.09	(41,354.58)

Notes to the financial statements

1-60

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

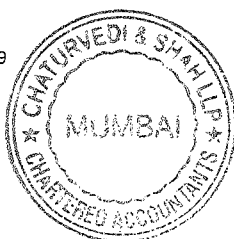
Firm Registration Number 101720W/W100355

Vijay Napawaliya

Vijay Napawaliya

Partner

Membership Number. 109859



Place : Mumbai

Date: June 30, 2021

For and on behalf of Board of Directors of
Arshiya Rail Infrastructure Limited

Ajay S Mittal

Ajay S Mittal

Director

DIN : 00226355

Navnit Choudhary

Navnit Choudhary

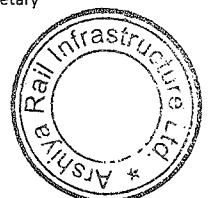
Director

DIN : 00613576

A.S. Mehta

Abhijit Mehta

Company Secretary



ARSHIYA RAIL INFRASTRUCTURE LIMITED
Cash Flow Statement for the year ended March 31, 2021

		(Rupees in lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) for the year before tax	(16,367.26)	(19,036.46)	
Adjustments for :			
Depreciation and amortization expenses	4,784.81	6,627.60	
Interest Income	(17.44)	(19.43)	
Interest on loan to others	-	(68.41)	
Gain on sale/discarded Property, plant and equipment	(1,907.20)	-	
Gain on Lease modification	(24.09)	-	
Provision for Doubtful debts/ ECL	-	16.11	
Interest on others	(8.61)	-	
Sundry Balances Written Back (net)	(22.18)	(27.30)	
Finance Expense	15,648.58	13,127.78	
Interest on Income Tax refund	(13.54)	(53.02)	
Rent concession	(27.49)	-	
Excess provision write back	(18.58)	-	
Share based Payment	108.95	21.86	
Fair value of financial instruments	(1.98)	(6.21)	
Government grant – income	(1,499.43)	(365.49)	
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	634.55	217.03	
Adjustments for			
Trade & other payables	(1,441.97)	(128.53)	
Trade & other receivables	1,145.40	451.51	
CASH GENERATED FROM OPERATIONS	337.98	540.01	
Direct Tax (Paid) /Refund (Net)	87.10	190.67	
NET CASH FLOW FROM OPERATING ACTIVITIES	425.08	730.68	
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	(4.59)	(3.22)	
(Increase)/ decrease in other bank balances	(11.06)	66.65	
Proceeds from Sale of Property, Plant and Equipment	14,947.46	-	
Loans given to other (Net)	307.97	(307.97)	
Interest Income on Fixed Deposits	12.91	42.81	
Interest Income on loans to others	-	68.41	
NET CASH FLOW FROM INVESTING ACTIVITIES	15,252.69	(133.32)	
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings - Non current	(5,651.34)	-	
Payment of Lease Liability	(248.66)	(352.01)	
Borrowing - current (Net)	(813.44)	(297.39)	
Interest paid on borrowings	(9,007.05)	-	
NET CASH FLOW FROM FINANCING ACTIVITIES	(15,720.49)	(649.40)	
Net Increase/(Decrease) in cash and cash equivalents	(42.72)	(52.03)	
Cash and cash equivalents at the beginning of the year	76.63	128.66	
Cash and Cash Equivalents at the end of the year (Refer Note no. 10)	33.90	76.63	

*Note:- Changes in liabilities arising from financing activities :

Particulars	March 31, 2020	Cash flow	INDAS impact	Other non cash adjustment	March 31, 2021
Long term borrowing (Refer Note no. 17 & 25)	71,106.11	(5,651.34)	235.41	-	65,690.18
Short term borrowing (Refer Note no. 22)	18,191.30	(813.44)	-	-	17,377.86

Notes to the financial statements
As per our Report of even date

1-60

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355

For and on behalf of Board of Directors of
Arshiya Rail Infrastructure Limited

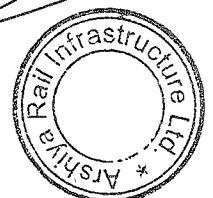
Vijay Napawaliya
Partner
Membership Number. 109859



Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

A.S. Mehta
Abhijit Mehta
Company Secretary



Place : Mumbai
Date: June 30, 2021

ARSHIYA RAIL INFRASTRUCTURE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1 CORPORATE INFORMATION:

Arshiya Rail Infrastructure Limited (CIN : U93000MH2008PLC180907) is a public company domiciled in India and is incorporated on April 7, 2008 under the provisions of the Companies Act applicable in India. The registered office of the company is located at 302, Level 3, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

Arshiya Rail Infrastructure Limited (ARIL) is a subsidiary of Arshiya Limited (AL). AL is listed on Bombay Stock Exchange and National Stock Exchange. In April 2008, AL acquired a Category-I license to operate a pan-India rail logistic service, giving rise to ARIL. ARIL is a specialized entity of AL, offering unprecedented rail infrastructure, including, Private Freight Terminal (PFT), pan-India network and superior connectivity. The company is engaged in Private Container Train Operator (PCTO) business and is holding Category-I license which allows the company to operate on Indian Rail network on pan India basis both Domestic and Exim Traffic. ARIL's offering provide unparalleled efficiencies with capability of large scale evacuation of cargo from Ports, Domestic Distriparks, Free Trade and Warehousing Zones, Inland Container Depot (ICD) and customer Sidings. The Company is engaged in providing facility of warehousing-including temperature controlled storage and other cargo/ logistics related activities through Inland Container Depot (ICD).

The financial statements of the Company for the year ended 31st March, 2021 were approved and adopted by board of directors in their meeting held on 30th June 2021.

2 BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) by the Ministry of Corporate Affairs ("MCA") pursuant to the Section 133 of the Companies Act, 2013 ("the Act") read with of the Companies (Indian Accounting Standards) Rules 2015, (as amended) and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost convention, except for certain financial assets and liabilities, which are measured at fair value/ amortised cost.

The financial statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

3 SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENT:

3.1 Property, Plant and Equipment:

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use.

Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Depreciation on property, plant and equipment which are added / disposed off during the year, is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated and under the previous GAAP land was revalued.

The asset's residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Leasehold Improvements are depreciated over the period of lease.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

The Company has opted to continue with the carrying values of all of its property, plant and equipment as recognised in the Indian GAAP financial statements as deemed cost at the transition date i.e. April 1, 2016.

3.2 Intangible Assets :

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

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

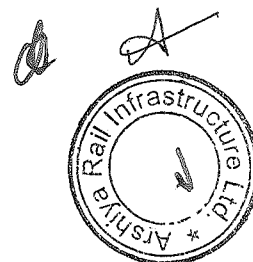
Railways License fees is amortised over a period of twenty years being the license period as per agreement.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of five years.

The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Company has opted to continue with the carrying values of all of its intangible assets as recognised in the Indian GAAP financial statements as deemed cost at the transition date i.e. April 1, 2016.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

3.3 Leases:

The Company assesses whether a contract is or contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases). For these short term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using its incremental borrowing rate as the discount rate.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

ROU assets and Lease liability have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.4 Inventories:

Inventories are valued at the lower of cost and net realizable value. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition.

3.5 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.6 Impairment of assets:

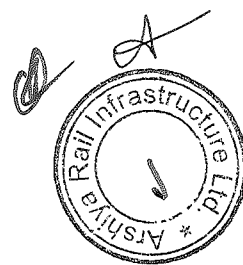
An asset is considered as impaired when at the date of Balance Sheet, there are indications of impairment and the carrying amount of the asset, or where applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the net asset selling price and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

3.7 Financial instruments – initial recognition, subsequent measurement and impairment:

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

i) Financial assets -Initial recognition and measurement:

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Financial assets - Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-

- a) Financial assets at fair value
- b) Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at **amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

a) Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.

b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at **fair value through other comprehensive income** unless the asset is designated at fair value through profit or loss under the fair value option.

a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

Financial assets - Derecognition

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flow from the asset.

II) Financial liabilities - Initial recognition and measurement:

The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities - Subsequent measurement:

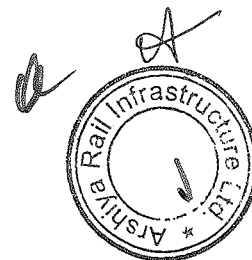
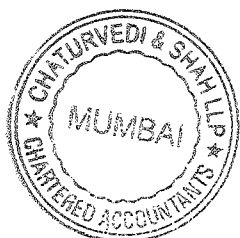
Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts are approximate at their fair value due to the short maturity of these instruments.

Financial Liabilities - Financial Guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

Financial Liabilities - Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Compound Instruments

An issued financial instrument that comprises of both the liability and equity components are accounted as compound financial instruments. The fair value of the liability component is separated from the compound instrument and the residual value is recognised as equity component of other financial instrument. The liability component is subsequently measured at amortised cost, whereas the equity component is not remeasured after initial recognition. The transaction costs related to compound instruments are allocated to the liability and equity components in the proportion to the allocation of gross proceeds. Transaction costs related to equity component is recognised directly in equity and the cost related to liability component is included in the carrying amount of the liability component and amortised using effective interest method.

3.8 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset/ liability, but it is recognised as an asset/ liability.

3.9 Revenue recognition

Revenue is recognized upon transfer of control of goods or rendering of services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services.

Income from services is recognized upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognized pro-rata over the contractual period.

Revenue is measured based on the transaction price, which is the consideration, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Amounts billed for services in accordance with contractual terms but where revenue is not recognized, have been classified as unearned revenue and disclosed under current liabilities

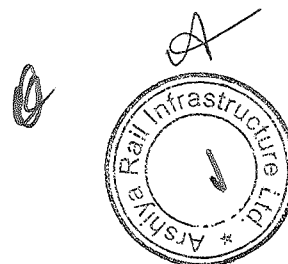
Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned revenue ("contract liability") is recognized when there is billing in excess of revenues.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

Revenue from valued optimisation services and other activities is recognised when related services are performed as per the contractual terms.

(a) Rail Transport Operations

- (i) Revenue from sale of services e.g rail freight income recognised as per the terms of contracts with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. For Fixed-price contract, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (Percentage of completion method)
- (ii) Measurement of revenue : Estimates of revenues, cost or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.
- (iii) Revenue from handling and other ancillary services is recognised at the time of rendering of service which is at the time of loading/unloading of container/cargo.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(b) Inland Container Depot (ICD)

- (i) Revenue from Container handling, storage and Rail & Road transportation are recognised on proportionate completion of the movement and delivery of goods to the party/ designated place.
- (ii) Revenue from Ground rent is recognised for the period the container is lying in the ICD area.

(c) Domestic Warehousing

Revenue from allotment of warehousing space and open yard area for use is accounted on accrual basis as per agreed terms of contract.

(d) Interest Income:

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

(e) Dividend Income:

Dividend Income is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

3.10 Foreign currency reinstatement and translation:

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates as on balance sheet date and the resulting exchange difference recognised in statement of profit and loss. Differences arising on settlement of monetary items are also recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

3.11 Employee Benefits:

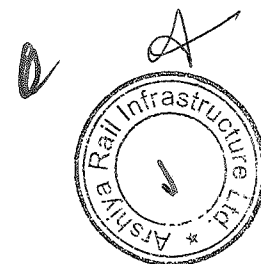
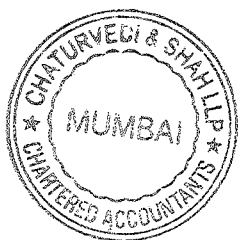
Short term employee benefits are recognised as an expense in the statement of profit and loss of the year in which the related services are rendered.

(a) Defined Contribution Plan

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

(b) Defined Benefit Plan

Leave encashment being a defined benefit plan is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the year in which they arise. Other costs are accounted in statement of profit and loss.



ARSHIYA RAIL INFRASTRUCTURE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

3.12 Taxes on Income:

Income tax expense represents the sum of current tax and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

3.13 Borrowing Costs:

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

3.14 Earnings per share:

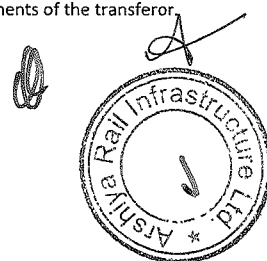
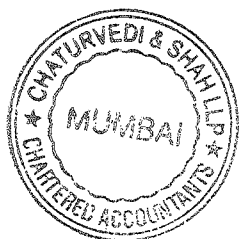
Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

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

3.15 Business Combination

Business Combinations are accounted for using Ind AS 103 'Business Combination'. Acquisitions of businesses are accounted for using the acquisition method unless the transaction is between entities under common control.

Business Combinations arising from transfer of interests in entities that are under common control, are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustment is made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonise accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

3.16 Current and non-current classification:

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
 - b) Held primarily for the purpose of trading,
 - c) Expected to be realised within twelve months after the reporting period, or
 - d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

3.17 Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date.

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy.

3.18 Off-setting financial Instrument:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

3.19 Government Grants

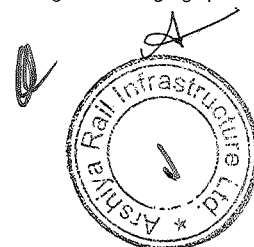
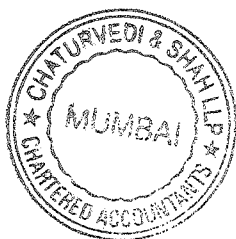
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Government grants relating to the sale of property, plant and equipment are credited to profit or loss as other income.

3.20 Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

3.21 Contributed Equity

Equity Shares are classified as equity, incremental costs directly attributable to the issue of new shares or options are shown in other equity as deduction, net of tax from the proceeds.

3.22 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.23 Dividend Distribution

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.1 Global Health Pandemic : COVID - 19

The outbreak of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In assessing the recoverability of Company's assets such as financial asset and non-financial assets, the Company has considered internal and external information. The Company has evaluated impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements and the Company expects to recover the carrying amount of all the assets.

4.2 Property, plant and equipment and Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

4.3 Income Tax:

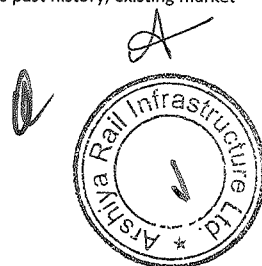
The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.

4.4 Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

4.5 Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

4.6 Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

4.7 Defined benefits plans:

The Cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.8 Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

4.9 Provisions:

Provisions are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

4.10 Fair value measurement of financial instruments :

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

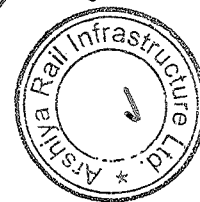
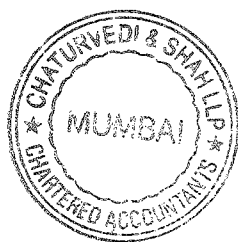
4.11 Recent Accounting pronouncements

Recent pronouncements On June 18, 2021, MCA through a notification has notified Companies (Indian Accounting Standards) Amendment Rules, 2021. The notification has made amendments to various Ind AS. Some of the key amendments are:

- Ind AS 116 – COVID-19-Related Rent Concessions
- Interest Rate Benchmark Reform – Phase 2
- Amendments to Ind AS consequential to Conceptual Framework under Ind AS

The amendments relating to Ind AS 102, Share-based Payment; Ind AS 103, Business Combinations; Ind AS 106, Exploration for and Evaluation of Mineral Resources; Ind AS 114, Regulatory Deferral Accounts; Ind AS 1, Presentation of Financial Statements; Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; Ind AS 34, Interim Financial Reporting; Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets; Ind AS 38, Intangible Assets, are consequential due to changes in the Conceptual Framework under Ind AS, made in August 2020. The revised Conceptual Framework introduced some new concepts and clarifications along with revision in definitions and changes in recognition criteria of assets and liabilities under Ind AS.

The Company does not expect the consequential amendments to have any significant impact in its financial statements.

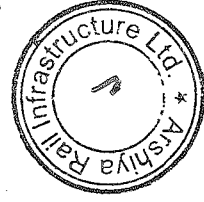
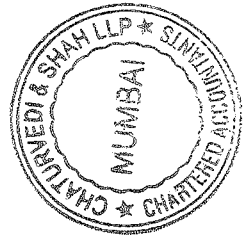


ARSHIVA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

5 A

PROPERTY, PLANT AND EQUIPMENT									
Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Computer	Railway Terminals	Leasehold Improvements	Total
Gross Carrying Value									
As at April 1, 2019	35,811.26	44,133.37	31,358.52	396.75	44.13	108.78	14,388.57	161.15	1,26,402.53
Additions	-	-	2.84	-	-	0.37	-	-	3.21
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2020	35,811.26	44,133.37	31,361.36	396.75	44.13	109.15	14,388.57	161.15	1,26,405.74
Additions	-	-	2.83	1.76	-	-	-	-	4.59
Disposals	-	-	(22,914.65)	-	(2.80)	(0.29)	-	-	(22,917.74)
As at March 31, 2021	35,811.26	44,133.37	8,449.54	398.51	41.33	108.86	14,388.57	161.15	1,03,492.59
Accumulated Depreciation									
As at April 1, 2019	-	4,903.19	9,472.88	165.43	17.00	94.90	3,471.72	4.01	18,129.13
Depreciation for the year	-	1,601.58	3,090.76	56.37	6.07	0.30	1,165.35	51.24	5,971.67
Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	6,504.77	12,563.64	221.80	23.07	95.20	4,637.07	55.25	24,100.80
Depreciation for the year	-	1,597.20	1,338.01	54.51	5.67	0.32	1,162.16	44.18	4,202.05
Deductions	-	-	(9,875.27)	-	(2.21)	(0.01)	-	-	(9,877.49)
As at March 31, 2021	-	8,101.97	4,026.38	276.31	26.53	95.51	5,799.23	99.43	18,425.36
Net Carrying value as at March 31, 2021	35,811.26	36,031.40	4,423.16	122.20	14.80	13.35	8,589.34	61.72	85,067.23
Net Carrying value as at March 31, 2020	35,811.26	37,628.60	18,797.72	174.95	21.06	13.95	9,751.50	105.90	1,02,304.94

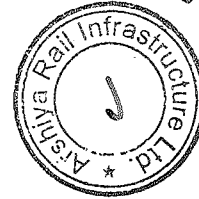
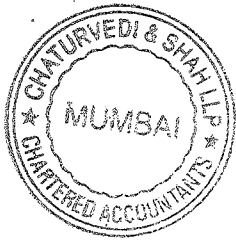
Note:- In accordance with the Indian Accounting Standard (IND AS -36) on "Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said IND AS. On the basis of this review carried out by the management, there was no impairment loss of property, plant and equipment during the year ended March 31, 2021.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

5 B RIGHT TO USE ASSET

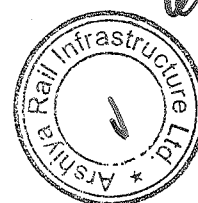
(Rupees in lakhs)	
Particulars	Total
Gross Carrying Value	
As at April 1, 2019	-
Recognised on implementation of IND AS 116 as at April 1, 2019 (transition date)	874.04
As at March 31, 2020	874.04
Additions	-
Disposals	(331.90)
As at March 31, 2021	542.14
Accumulated Depreciation	
As at April 1, 2019	-
Depreciation for the year	305.14
As at March 31, 2020	305.14
Depreciation for the year	232.88
Deductions	(138.27)
As at March 31, 2021	399.75
Net Carrying value as at March 31, 2021	142.39
Net Carrying value as at March 31, 2020	568.90



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

6 INTANGIBLE ASSETS

(Rupees in lakhs)			
Particulars	Computer Software	Rail Licenses fees	Total
Gross Carrying Value			
As at April 1, 2019	713.31	3,208.33	3,921.64
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2020	713.31	3,208.33	3,921.64
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2021	713.31	3,208.33	3,921.64
Accumulated Amortisation			
As at April 1, 2019	346.68	749.68	1,096.36
Amortisation for the year	100.20	250.59	350.79
Deductions	-	-	-
As at March 31, 2020	446.88	1,000.27	1,447.15
Amortisation for the year	99.98	249.91	349.89
Deductions	-	-	-
As at March 31, 2021	546.86	1,250.18	1,797.04
Net Carrying value as at March 31, 2021	166.45	1,958.15	2,124.60
Net Carrying value as at March 31, 2020	266.43	2,208.06	2,474.49



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

7 OTHER NON CURRENT FINANCIAL ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<i>Unsecured, considered good unless otherwise stated</i>		
Financial assets carried at amortised cost		
Bank Deposits with more than 12 months maturity	36.69	6.84
Security Deposits	-	7.77
Financial Guarantee	309.98	635.30
Total	346.67	649.91

8 OTHER NON CURRENT ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<i>Unsecured, considered good unless otherwise stated</i>		
Capital Advances	1,001.64	953.64
Advances other than Capital advances		
- Prepaid Rent	-	0.12
- TDS Receivable	289.99	362.35
- Service tax paid under protest	-	5.14
Total	1,291.63	1,321.25

9 CURRENT ASSETS - TRADE RECEIVABLES

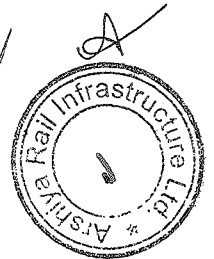
(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	344.19	1,032.41
Trade Receivable which have Significant increase in Credit Risk	26.64	45.22
Trade Receivable -credit Impaired	-	-
	370.83	1,077.63
Less: Provision for expected credit loss	26.64	45.22
	26.64	45.22
Total	344.19	1,032.41

10 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in current accounts	33.77	76.26
Cash on hand	0.13	0.37
Total	33.90	76.63



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

11 CURRENT ASSETS - LOANS

(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan to others considered good - Secured	-	-
Loan to others considered good - Unsecured	-	307.97
Loan to others which have Significant increase in Credit Risk	-	-
Loan to others -credit Impaired	-	-
Total	-	307.97

12 CURRENT ASSETS - OTHER BANK BALANCES

(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits with banks to the extent held as margin money	265.83	284.62
Interest Accrued on Fixed Deposit	9.26	4.72
Total	275.09	289.34

13 OTHER CURRENT FINANCIAL ASSETS

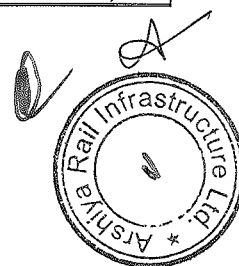
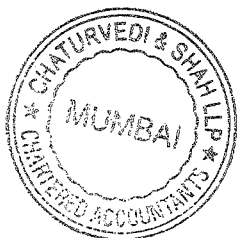
(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<i>Unsecured, considered good unless otherwise stated</i>		
Financial assets carried at amortised cost		
Security Deposits	116.15	137.19
Financial Guarantee	306.28	363.19
Total	422.43	500.38

14 OTHER CURRENT ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances other than Capital advances		
- Advances to Suppliers	19.76	30.86
- Advances to Employees	107.24	46.88
-Others	0.03	0.03
Others		
- Other receivable	391.13	35.66
- Prepaid expenses	8.36	44.85
-Interest Receivable	-	0.11
- TDS Receivable	-	1.19
- Balance with Government Authority	21.21	876.22
Total	547.73	1,035.80



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Rupees in lakhs)

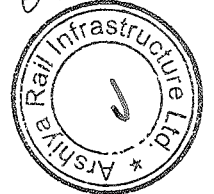
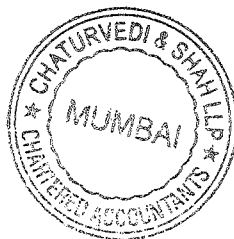
15 SHARE CAPITAL		
Particulars	As at March 31, 2021	As at March 31, 2020
i) Authorised Share Capital		
Equity Shares		
6,15,00,000 (As at March 31, 2020: 6,15,00,000) Equity shares of Rupees 10 each	6,150.00	6,150.00
Preference Shares		
35,50,000 (As at March 31, 2020: 35,50,000) Preference Shares of Rupees 10 each	355.00	355.00
Total	6,505.00	6,505.00
ii) Issued, Subscribed & Fully Paid up		
5,96,71,569 (As at March 31, 2020: 4,23,84,417) Equity Shares of Rupees 10 each	5,967.16	4,238.44
Total	5,967.16	4,238.44
iii) Share Capital Suspense Account		
Share Suspense Account	-	1,728.72
(In consequence to Amalgamation of Arshiya Industrial Distribution & Hub Limited (AIDHL) and Arshiya Transport & Handling Limited (ATHL) with the Company, 1,72,87,152 Equity shares of Rs. 10 each fully paid up is to be issued to shareholders of AIDHL & ATHL as consideration w.e.f. appointed date i.e. October 1st, 2015. On March 12, 2021 issued and allotted equity shares.)		
Total	-	1,728.72

ii) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:

Particulars	In numbers	Amount (Rupees in lakhs)
Equity Share Capital		
Equity shares of Rupees 10 each issued, subscribed and fully paid		
At March 31, 2020	4,23,84,417	4,238.44
Issued during the year	1,72,87,152	1,728.72
At March 31, 2021	5,96,71,569	5,967.16

Reconciliation of Zero% optionally convertible redeemable preference shares outstanding as at the beginning and end of the year

Particulars	In numbers	Amount (Rupees in lakhs)
Preference Share Capital		
Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS) of Rupees 10		
At March 31, 2020	1,20,000	12.00
Issued during the year	-	-
At March 31, 2021	1,20,000	12.00



ARSHIYA RAIL INFRASTRUCTURE LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of Rupees 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Terms/rights attached to preference shares

The Company has issued & allotted 1,20,000 Zero % OCRPS of Rupees 10 each at a premium of Rupees 990 per OCRPS aggregating to Rupees 1,20,00,000 lakhs.

Tenure of OCRPS: 6 years,

Conversion option: The right of conversion shall be exercised at the last day of sixth year from the date of allotment (i.e. January 18, 2018) of the OCRPS, only in event of failure on part of the Company to redeem the OCRPS or inability of the Promoters to buyback the OCRPS.

Redemption: The OCRPS Series 1 shall be redeemed in one single installment of Rupees 1200 lakh (including premium) at the end of

iii. Details of shareholders holding more than 5% equity shares in the company *

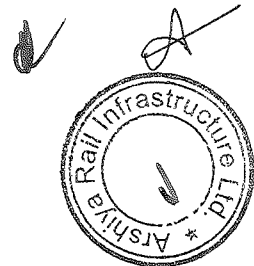
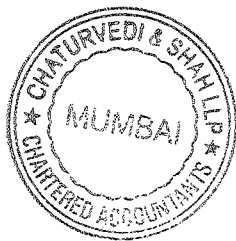
Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number	% holding	Number	% holding
Equity shares of Rupees 10 each fully paid Arshiya Limited (Holding Company) Shares held by Nominee and jointly shareholders	5,96,70,969 600	100.00	4,23,83,817 600	100.00

Details of shareholders holding more than 5% preference shares in the company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number	% holding	Number	% holding
Preference shares of Rupees 10 each fully paid Bank of Baroda	1,20,000	100.00	1,20,000	100.00

Note:- Arshiya Industrial & Distribution Hub Limited (AIDHL) has allotted 1,20,000 Zero Percent Optionally Convertible Redeemable Preference Shares (OCRPS) at Rs. 1,000/- to on 18.01.2018 aggregating to Rs. 12,00,00,000/- to Bank of Baroda on preferential basis in lieu of and against conversion of loan amounting to Rs. 12,00,00,000/- pursuant to the OTS terms and conditions dated 26th December, 2017.

However, by virtue of merger of AIDHL with ARIL pursuant to the Hon'ble NCLT Mumbai Bench order dated 6th December, 2019 and as per scheme, the Company is in process of necessary compliances related to OCRPS.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Rupees in lakhs)

16 OTHER EQUITY		
Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium Account	87,898.46	87,898.46
Retained Earnings	(1,32,986.84)	(1,16,629.27)
Equity Component of Guarantee given by Parent Company	2,709.73	2,709.73
Equity Component of loan from Parent Company	504.98	504.98
Equity Component of Zero% Optionally Convertible Redeemable Preference shares (OCRPS)	519.09	519.09
Total	(41,354.58)	(24,997.01)

(a) Securities Premium Account (Rupees in lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	87,898.46	87,898.46
Add: On issue of Equity shares	-	-
Closing Balance	87,898.46	87,898.46

(b) Retained Earnings (Rupees in lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	(1,16,629.27)	(97,615.55)
Add/(Less):		
Net Profit/(Loss) for the year	(16,367.26)	(19,036.46)
Other comprehensive income	9.69	22.74
Closing balance	(1,32,986.84)	(1,16,629.27)

(c) Equity Component of Guarantee given by Parent Company (Rupees in lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	2,709.73	2,709.73
Add/(Less): Transaction during the year	-	-
Closing balance	2,709.73	2,709.73

(d) Nature & purpose of Reserves

Securities Premium Account:

Securities premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Provision of Companies Act, 2013.

Retained Earnings :

Retained Earnings are the profits/losses of the Company earned till date net of appropriations.

Equity Component of Guarantee given by Parent Company:

The fair value of financial guarantees given to the lenders of the Company by the Parent Company is recognised as a deemed equity component.

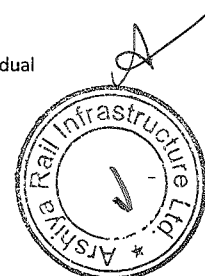
Equity Component of loan from Parent Company:

The difference between the fair value of interest free loans on the date of issue and the transition price is recognised as a deemed equity component by the Parent Company.

For computation of the fair value benefit, the Company has estimated the fair value of the financial liability on the date of issue of considering complete market interest rates adjusted to the facts and circumstances relevant to the Company.

Equity Component of Zero% Optionally Convertible Redeemable Preference shares (OCRPS)

The fair value of liability component is deducted from the fair value of instruments as a whole, with the resulting residual amount being recognised as the equity component.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

17 NON CURRENT BORROWINGS

(Rupees in lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
-Term Loans		
From Others (refer note 17.1 & 17.2 below)	42,224.19	46,577.11
Unsecured		
Liability Component of Compound Financial Instruments	956.63	854.14
Total	43,180.82	47,431.25

17.1 RAIL Division- Rupee term loan from other parties :-

- Rupee term loans (including current maturity) of Rupees 33,917.72 lakhs (March 31, 2020 : Rupees 33,787.05 lakhs) are secured by

(1) Details of Security

- First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of the Rail Division both present
- Second charge by way of Hypothecation of the entire current assets of the Rail Division on pari passu basis.
- Personal guarantees from Promoters of Holding Company.
- Corporate Guarantee from Holding Company.
- Pledge of 100% equity shares of ARIL i.e. pre merger shareholding held by Promoters (equivalent to 4,23,84,417 in resulting company).

(2) Terms of Interest rate:

- on Term Loans from others 10% p.a. compounded quarterly,

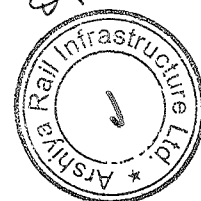
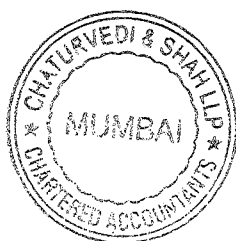
(3) Terms of repayment :-

(Rupees in lakhs)	
Financial Year	Amount
2019-2020	1,744.63
2020-2021	6,139.19
2021-2022	2,276.52
2022-2023	23,954.16
Total	34,114.50

(4) Amount and period of default in repayment of borrowings

(Rupees in lakhs)		
Particulars	As at March 31, 2021	
	Amount	Period of Default
Current maturity of Rupee Term loans -Others	1,744.63	2019-20
	6,139.19	2020-21
Total	7,883.82	

(5) The amortised cost disclosed above is net off of incidental cost of borrowings aggregating to Rupees 196.77 lakhs for March 31, 2021 and Rupees 327.44 lakhs for March 31, 2020.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

17.2 ICD & Domestic Warehousing Division- Rupee term loan from other parties :-

- Rupee term loans (including current maturity) of Rupees 26,596.55 lakhs (March 31, 2020 : Rupees 26,594.32 lakhs) are secured by

(1) Details of Security

- i. First charge on all movable assets and immovable assets of the ICD & Domestic Warehousing Division both present and future on pari passu basis.
- ii. First charge by way of Hypothecation of the entire current assets of the ICD & Domestic Warehousing Division on pari passu basis.
- iii. Personal guarantees from Promoters of Holding Company.
- iv. Corporate Guarantee from Holding Company.
- v. Pledge of 100% equity shares of erstwhile AIDHL i.e. pre merger shareholding held by Promoters (equivalent to 1,72,37,152 in resulting company).

(2) Terms of Interest rate:

- on Term Loans from others 10% p.a. compounded quarterly,

(3) Terms of repayment :-

(Rupees in lakhs)	
Financial Year	Amount
2019-2020	1,885.69
2020-2021	4,034.74
2021-2022	2,209.30
2022-2023	18,470.27
Total	26,600.00

(4) Amount and period of default in repayment of borrowings

(Rupees in lakhs)		
Particulars	As at March 31, 2020	
	Amount	Period of Default
Current maturity of Rupee Term loans -Others	1,885.69	2019-20
	4,034.74	2020-21
Total	5,920.43	

(5) The amortised cost disclosed above is net off of incidental cost of borrowings aggregating to Rupees 3.45 lakhs for March 31, 2021 and Rupees 5.68 lakhs for March 31, 2020.

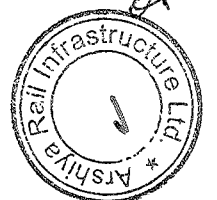
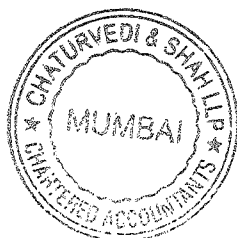
17.3 Loan from Holding Company is interest free and repayable on demand.

18 NON CURRENT LEASE LIABILITIES

(Rupees in lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Lease liability (Refer Note 37)	46.97	254.64
Total	46.97	254.64

19 OTHER NON CURRENT FINANCIAL LIABILITIES

(Rupees in lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Financial Liabilities at amortised cost		
Advance warehouse rent	-	1.98
Security Deposit	-	33.53
Total	-	35.51



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

20 NON CURRENT LIABILITIES - PROVISIONS

(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Gratuity (Refer Note 38)	10.06	43.22
Leave encashment (Refer Note 38)	28.36	38.21
Total	38.42	81.43

21 OTHER NON CURRENT LIABILITIES

(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Government Grants (Refer note no. 26.1)	97.82	1,266.83
Total	97.82	1,266.83

22 CURRENT BORROWINGS

(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
(a) Loan from other party (Refer note 22.1 below)	3,000.00	3,000.00
Unsecured		
(b) Loans from Related parties (Refer note 22.2 below & 41)	14,377.86	15,115.51
(c) Bill discounting (Refer note 22.3 below)	-	75.79
Total	17,377.86	18,191.30

22.1 ICD & Domestic Warehousing Division- Short term loan from other party

Term loans of Rupees 3,000 lakhs (March 31, 2020 : Rupees 3,000 lakhs) are secured by

(a) Details of Security

- i) First Ranking charges on all present and future cash flows, all assets and movable collateral available to the existing lenders of ICD & Domestic Warehousing Division as per the Deeds of Hypothecation,
- ii) Personal Guarantee of both promoter directors of Parent Company
- iii) Corporate Guarantee of Parent Company

(b) Rate of Interest: 18% p.a

(c) Repayment: Bullet payment after expiry of 3 months.

(d) Amount and period of default in repayment of borrowings: Default in repayment of principal of Rupees 3,000 lakhs since March 31, 2019. The same has been recall by the lenders.

22.2 Interest free loan upto 1 year and repayable on demand.

22.3 Bill discounting facility

Funding limit of Rs. 3 crore with maximum payment period for individual invoices is 90 days against receivables of one of the customer.

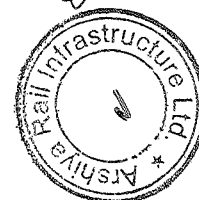
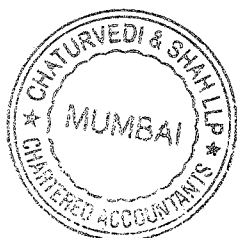
(b) Rate of Interest: 18% p.a

23 CURRENT LIABILITIES- TRADE PAYABLES

(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of Micro and Small Enterprises (Refer note 40)*	62.47	44.20
Total outstanding dues of creditors Other than Micro and Small Enterprises*	900.09	1,421.09
Total	962.56	1,465.29

*During the course of preparation of financial statements, e-mails have been sent to various parties, in respect of trade receivables and trade payables, etc. with a request to confirm their balances, out of which only few parties have responded, accordingly, the possible adjustment, if any, required in the financial statements will be accounted as and when the same is determinable.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

24 CURRENT LEASE LIABILITIES

(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability (Refer Note 37)	121.59	363.94
Total	121.59	363.94

25 OTHER CURRENT FINANCIAL LIABILITIES

(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Liabilities at amortised cost		
Current maturities of long term borrowings		
Term Loans from banks (Refer Note 25.1)*	4,219.28	6,910.60
Term Loans from others (Refer Note 17.1 & 25.2)	18,290.08	16,764.27
Interest accrued and due on borrowings**	37,851.58	32,192.44
Interest payable on short term loan	0.09	-
Security Deposit	118.17	59.14
Others		
Project Creditors	1,111.73	1,111.73
Employee's Dues ***	161.40	171.36
Payable for Expenses	711.10	464.84
Other Payables	-	21.86
Total	62,463.43	57,696.25

* Include Loan aggregating to Rupees 4,219.28 lakhs (March 31, 2020: Rupees 6,910.60 lakhs) recalled by banks.

**Include Interest accrued and due on Term Loans aggregating to Rupees 12,887.48 lakhs (March 31, 2020: Rupees 10,777.02 lakhs) recalled by banks.

***Include Interest accrued and due on Term Loans aggregating to Rupees 24,964.10 lakhs (March 31, 2020: Rupees 2,519.94 lakhs) recalled by others.

***Include Full and Final settlement of Rupees 62.39 lakhs (March 31, 2020 Rupees 39.01 lakhs)

25.1 RAIL Division- Rupee term loan from Banks :-

- Rupee term loans of Rupees 4219.28 lakhs (March 31, 2020 : Rupees 6910.60 lakhs) are secured by

(1) Details of Security

- First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of the Rail Division both present and
- Second charge by way of Hypothecation of the entire current assets of the Rail Division on pari passu basis.
- Personal guarantees from Promoters of Holding Company.
- Corporate Guarantee from Holding Company/ Promoter.
- Pledge of 100% equity shares of ARIL i.e. pre merger shareholding held by Promoters (equivalent to 4,23,84,417 of equity shares in resulting company).

(2) Terms of Interest rate:

- on Term Loans from Banks from 10.45% p.a - 16.25% p.a.

(3) Terms of repayment :-

(Rupees in lakhs)

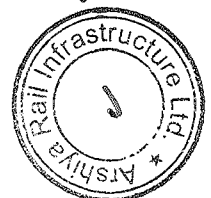
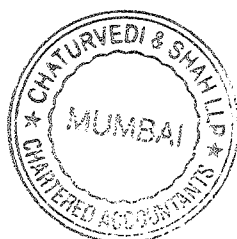
Financial Year	Term Loans from Banks
2015-2016	2,385.28
2018-2019*	1,834.00
Total	4,219.28

* Refer note no. 49

(4) Amount and period of default in repayment of borrowings

(Rupees in lakhs)

Particulars	March 31, 2021	
	Banks	Period of Default
Current maturity of Rupee Term loans	2,385.28	2015-16
	1,834.00	2018-19
Total	4,219.28	



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

25.2 RAIL Division- Rupee term loan from Others :-

- Rupee term loans of Rupees NIL (March 31, 2020 : Rupees 2,960.00 lakhs) are secured by

(1) Details of Security

- i. First pari passu charge on all present and future cash flows of the Rail Division.
- ii. First pari passu charge on all movable assets and immovable assets of the Rail Division.
- iii. Charge on cash flows and movable assets by deed of Hypothecation.
- iv. Personal guarantees from Promoters of Holding Company.
- v. Corporate Guarantee from Holding Company.

(2) Terms of Interest rate:

- on Term Loans from others @ 20% p.a payable quarterly

(3) Terms of repayment :-

- Repayment shall be by way of bullet payment after expiry of 48 months.

***** Amount and period of default in payment of interest on borrowings**

(Rupees in lakhs)			
Particulars	Period of Default	March 31, 2021	
		Banks	Others
Interest accrued & due on borrowing	2013-14	965.05	-
	2014-15	876.51	-
	2015-16	1,035.94	-
	2016-17	1,287.23	-
	2017-18	1,512.65	1,175.12
	2018-19	2,423.96	4,700.96
	2019-20	2,190.26	13,694.06
	2020-21	2,595.88	5,393.96
Total		12,887.48	24,964.10

26 OTHER CURRENT LIABILITIES

(Rupees in lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Unearned Revenue	-	42.96
Advance received from Customers	68.33	20.04
Government Grants (Refer note no. 26.1)	35.07	365.49
Advance warehouse rent	1.98	9.19
Others		
Statutory Liabilities*	858.69	1,222.87
Interest on Delayed payment of Statutory dues	722.31	1,132.37
Total	1,686.38	2,792.91

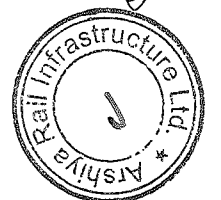
* Statutory liabilities include TDS, Goods & Service Tax, Service tax, PF, ESIC, Employee professional tax

26.1 GOVERNMENT GRANTS

(Rupees in lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	1,632.32	1,997.81
Released to statement of profit and loss	(1,499.43)	(365.49)
Closing balance	132.89	1,632.32
Current	35.07	365.49
Non Current	97.82	1,266.83

27 CURRENT LIABILITIES - PROVISIONS

(Rupees in lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Leave encashment (Refer Note 38)	7.43	12.52
Total	7.43	12.52



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

28 REVENUE FROM OPERATIONS

(Rupees in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rail Freight Income	5,994.00	12,151.58
Road Freight Income	570.95	1,134.73
Handling Income	347.51	537.61
Terminal Income	301.63	235.19
Rent Income	430.08	463.96
Other Operating Income	53.24	25.01
Total	7,697.41	14,548.08

29 OTHER INCOME

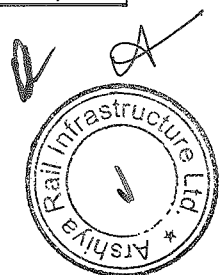
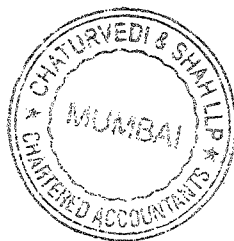
(Rupees in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on Financial assets carried at amortised cost		
Unwinding of interest on Security deposit	1.98	6.21
Other interest income		
Interest on Bank fixed deposits	17.44	19.43
Interest income on income tax refund	13.54	53.02
Interest income on service tax	0.62	-
Interest on Loan to others	-	68.41
Interest on others	7.99	-
Other income		
Government Grants	1,499.43	365.49
Gain on modification of Lease liability	24.09	-
Sundry Balance Written Back	22.18	27.30
Excess provision Written Back	18.58	-
Gain on sale of Fixed Asset (Refer Note 48)	1,907.20	-
Rent concession	27.49	-
Miscellaneous Income	543.95	42.77
Total	4,084.49	582.63

30 COST OF OPERATIONS

(Rupees in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rail Freight Expenses	4,581.54	9,674.01
Road Freight Expenses	669.14	1,255.30
Handling Expenses	193.32	230.13
Terminal Expenses	281.33	440.42
Other Operating expenses	142.77	191.45
Total	5,868.10	11,791.31



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

31 EMPLOYEE BENEFITS EXPENSE

(Rupees in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	889.14	1,299.02
Contribution to provident and other funds	36.83	28.95
Share based payments	108.95	21.86
Staff welfare expenses	18.44	31.67
Total	1,053.36	1,381.50

32 FINANCE COST

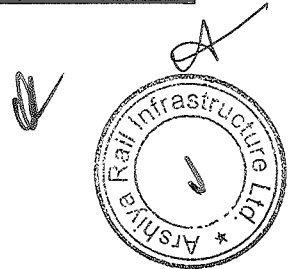
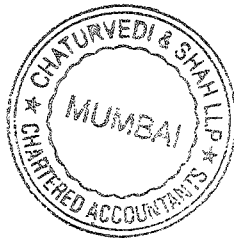
(Rupees in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on Financial liabilities measured at amortised cost		
Interest expense on borrowings	14,964.07	12,169.57
Interest expense on Security Deposit	9.99	9.60
Interest expense others		
Interest on Delayed Payment of Statutory Dues	127.29	245.09
Interest on MSME vendors	1.10	0.31
Interest Charges Others	-	96.71
Other borrowing costs		
Guarantee Commission Expense	363.27	381.28
Interest on Lease Liability	43.86	96.54
Bill Discounting charges	2.14	14.42
Finance cost on derecognition of guarantee commission	18.97	10.97
Finance cost on Amortisation of Liability Component	102.50	91.51
Bank processing charges	9.00	-
Bank charges	6.39	11.78
Total	15,648.58	13,127.78

33 DEPRECIATION AND AMORTISATION EXPENSES

(Rupees in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on tangible assets	4,202.05	5,971.67
Depreciation on right to use assets	349.88	350.79
Amortisation on intangible assets	232.88	305.14
Total	4,784.81	6,627.60



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

34 OTHER EXPENSES

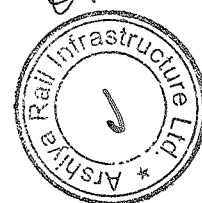
(Rupees in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Repairs and maintenance		
- Building	10.78	28.13
- Others	95.13	110.09
Advertisement	5.65	19.92
Payments to Auditors (Refer note below)	16.00	14.64
Electricity charges	60.81	66.12
Insurance	15.31	14.22
Legal and professional fees	180.48	179.71
Rates and taxes	35.11	18.77
Rent	85.57	96.35
Printing and Stationary	7.24	10.54
Office Expenses	16.80	24.79
Security charges	118.22	138.92
Telephone and internet expenses	13.34	20.37
Travelling & conveyance expenses	39.91	206.08
Vehicle Expenses	21.40	38.96
Allowance for doubtful debts and advances	-	16.11
Miscellaneous expenses	72.56	235.26
Total	794.31	1,238.98

(a) Details of Payments to auditors

(Rupees in lakhs)

Particulars	2020-21	2019-20
As Statutory Auditor		
Audit Fee	16.00	14.64
Total	16.00	14.64



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

35 Earnings per share (Basic and Diluted)

Particulars	As at March 31, 2021	As at March 31, 2020
Profit available to equity shareholders		
Profit/(Loss) after tax (A) (Rupees in Lakhs)	(16,367.26)	(19,036.46)
Add: Interest adjustment on account of 0% OCRPS (Rupees in Lakhs)	102.50	91.51
Total Profit/ (Loss) for the year for diluted EPS (Rupees in Lakhs)	(16,264.76)	(18,944.95)
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)**	5,96,71,569	5,96,71,569
Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	1,20,00,000	1,20,00,000
Total Weighted average number of equity shares /OCRPS (Diluted) (C)	7,16,71,569	7,16,71,569
Nominal Value of an equity share (Rupees)	10	10
Basic earnings per share(A/B) (Rupees)	(27.43)	(31.90)
Diluted earnings per share(A/C) (Rupees)*	(27.43)	(31.90)

* Diluted Earning per share when anti dilutive is restricted to Basic Earnings Per Share.

** Previous year includes 1,72,87,152 numbers of shares which are issued during current year pursuant to the scheme of amalgamation.

36 CONTINGENT LIABILITIES & COMMITMENT
(To the extent not provided for)

i) Capital Commitments

(Rupees in lakhs)

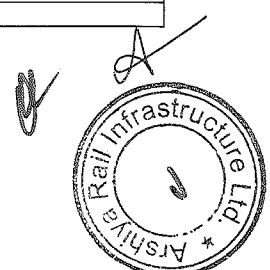
Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid)	1,568.14	1,144.44

Cash outflow expected on execution on such capital contracts

(ii) Contingent liabilities:

(Rupees in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Carrier Bond (Bond has been given to Principal of custom for the safeguarding duty liability on goods movement from respective ports to ICD Khurja)	-	10,000.00
(b) Custodian cum Carrier Bond (Company has provided bond in favour of custom department for duty free movement of goods from respective ports to ICD khurja)	1,000.00	1,000.00
(c) Bank Guarantee (Sub limit of Bond amount)	100.00	100.00
(d) Letter of Credit (Letter of Credit given in favour of Railways for availing e-freight facility for haulage payment)	100.00	100.00
(e) Claims Against the Company not acknowledged as Debt	23.39	23.39
(f) Service tax Demand	-	51.55
No Cash outflow is expected in near future		



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

37 LEASES

Effective 1st April, 2019, the Company has adopted Ind AS 116 - "Leases" and applied the revised standard to all lease contracts thereby capitalising assets taken on operating lease existing on 1st April, 2019, using the modified retrospective method along with the transition option to recognise right of use (ROU) assets at an amount equal to the lease liabilities.

(i) Movement of carrying value of right of use of assets

Particulars	(Rupees in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	568.90	-
Additions recognised on implementation of Ind AS 116 (transition date)	-	874.04
Modifications during the year	(193.63)	-
Less: Depreciation charge for the year	(232.88)	(305.14)
Closing Balance	142.39	568.90

(ii) Movement of Lease liabilities

Particulars	(Rupees in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Opening Balance	618.57	-
Additions during the year	-	874.04
Modifications during the year	(193.63)	-
Add: Interest expenses on unwinding lease liabilities	43.86	96.54
Less: Gain on modification of lease liability	(24.09)	-
Less: Rent concession	(27.49)	-
Less: Payment of lease liabilities	(248.66)	(352.01)
Closing Balance	168.56	618.57

38 EMPLOYEE BENEFIT

38.1 Disclosure pursuant to Indian Accounting Standard (IND AS) 19 – Employee Benefits

(a) Defined contribution plans

Contribution to Defined Contribution Plan, recognised as expenses for the years are as under:

Particulars	(Rupees in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Employer's Contribution to Provident Fund	6.57	8.62
Employer's Contribution to Pension Scheme	14.94	19.56
Employer's Contribution to ESIC	0.16	0.33

(b) Brief descriptions of the plans

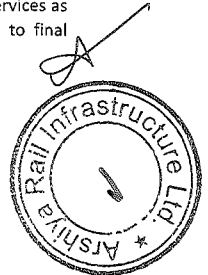
The Company's defined contribution plans are Provident Fund and Employees State Insurance where the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity. The employees are also entitled to leave encashment as per the Company's policy.

(c) Leave Obligations

Particulars	(Rupees in lakhs)	
	March 31, 2021	March 31, 2020
Provisions for Leave encashment		
Current	7.43	12.52
Non-Current	28.36	38.21
Total	35.79	50.73

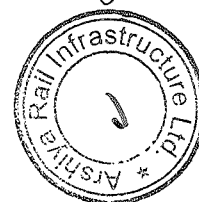
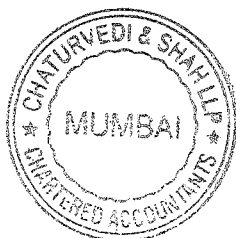
(d) Defined benefit plan – Gratuity:

The employee's Gratuity fund is managed by the Life Insurance Corporation of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up to final obligation.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	March 31, 2021	March 31, 2020
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2012-14) Ult	Indian Assured lives Mortality (2012-14) Ult
Discount rate	5.65%	5.60%
Expected return on plan assets	7.00%	7.00%
Salary Escalation Rate	5.00%	5.00%
Withdrawal Rate	19.00%	19.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Liability as at the beginning of the year	119.00	136.84
Interest cost	7.03	9.53
Current service cost	12.36	20.03
Benefits paid	(45.17)	(16.98)
Actuarial (gain)/loss on obligations	(9.69)	(22.74)
Acquisition adjustment	6.55	(7.68)
Liability as at the end of the year	90.08	119.00
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	75.78	70.85
Expected return on plan assets	4.24	4.93
Actual Enterprise's Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	80.03	75.78
IV. Actual return on plan assets		
Expected return on plan assets	4.24	4.93
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	4.24	4.93
V. Liability recognised in the Balance Sheet		
Liability as at the end of the year	90.08	119.00
Fair value of plan assets as at the end of the year	80.03	75.78
Liability/ (Asset) recognised in the Balance Sheet	10.06	43.22
VI. Percentage of each category of plan assets to total fair value of plan assets		
Insurer managed funds	100%	100%
VII. Amount recognised in the Statement of Profit and Loss		
Current service cost	12.36	20.03
Interest cost	-	-
Expected return on plan assets	2.79	4.60
Net actuarial (gain)/loss to be on obligation	-	-
Expense/ (Income) recognised in Statement of Profit and Loss	15.15	24.63
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Amount recognised in OCI, beginning of the year	(11.26)	11.48
Components of actuarial gain/losses on obligations		
Due to Change in financial assumptions	(0.20)	(16.07)
Due to Change in demographic assumption	-	(0.11)
Due to Change in experience assumption	(9.49)	(6.56)
Expected return on plan assets	-	-
Change in Asset Ceiling	-	-
Total remeasurement recognised in OCI	(9.69)	(22.74)
Amount recognised in OCI, end of year	(20.95)	(11.26)
IX. Balance Sheet reconciliation		
Opening net liability	43.22	65.99
Expenses recognised in Profit & Loss	15.15	24.63
Actual Employer Contribution	(45.17)	(16.98)
Total Remeasurement recognised in OCI	(9.69)	(22.74)
Acquisition adjustment	6.55	(7.68)
Closing net liability	10.06	43.22



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- (e) Salary escalation assumption has been set in discussions with the enterprise based on their estimates of overall long-term salary growth rates after taking into consideration expected earnings inflation as well as performance and seniority related increases.

38.2 Sensitivity analysis:

Particulars	Changes in assumptions	Effect on Gratuity obligation (Rupees in lakhs)
For the year ended 31st March, 2020		
Salary growth rate	+0.50%	121.62
	-0.50%	116.48
Discount rate	+0.50%	116.50
	-0.50%	121.61
For the year ended 31st March, 2021		
Salary growth rate	+0.50%	92.10
	-0.50%	88.13
Discount rate	+0.50%	88.16
	-0.50%	92.10

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the balance sheet.

These plans typically expose the Company to actuarial risks such as: longevity risk and salary risk.

- (A) Interest risk - A decrease in the discount rate will increase the plan liability.
 (B) Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants. As such, an increase the plan's liability.
 (C) Salary risk - The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

- 38.3** The weighted average duration of the defined benefit obligation at the end of the reporting period is 4 years (31st March, 2020 - 4 years).

39 Disclosure pursuant to Indian Accounting Standard 108 - Operating Segment

39.1 Primary Segment Information

The company is engaged in Private Container Train Operator (PCTO) business and is holding Category-I license which allows the company to operate on Indian Rail network on pan India basis both Domestic and Exim Traffic. The Company operates in two primary reportable business segments, i.e. "Rail & Inland Container Depot" and "Domestic Warehousing Zone".

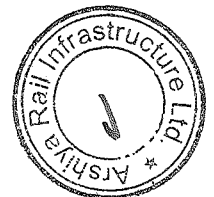
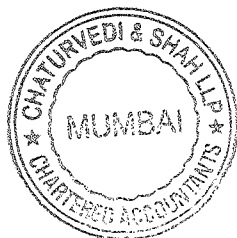
The company provides services within India and hence does not have any operation in economic environments with different risks and returns. Hence, it is considered that the company is operating in a single geographical segment.

39.2 Segment Revenue, results, assets and liabilities

Revenue and results have been identified to a segment on the basis of relationship to operating activities of the segment.

Segment assets and segment liabilities represent assets and liabilities in respective segments. Segment assets include all operating assets used by the operating segment and mainly includes trade receivable and other receivables. Segment liabilities primarily include trade payables and other liabilities. Assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets and liabilities.

- 39.3** The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of the nature of services.



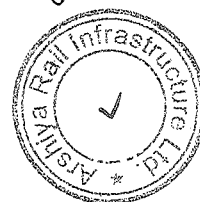
ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

39.4 Segmental Information as at and for the year ended 31st March, 2021 is as follows:-

(Rupees in lakhs)		
Particulars	Year Ended 31st March 2021	Year Ended 31st March 2020
Segment Revenue		
Rail & ICD	7,230.78	14,079.49
Domestic Warehouse	466.63	468.59
Less: Inter Segment	-	-
Total Revenue from Operations	7,697.41	14,548.08
Segment Results Before Tax and Interest		
Rail & ICD	270.20	(5,017.52)
Domestic Warehouse	(987.38)	(958.91)
Total Segment Result	(717.18)	(5,976.43)
Less: Unallocated Expenses net of Income	1.50	(67.75)
Less: Finance Costs	15,648.58	13,127.78
Loss before tax	(16,367.26)	(19,036.46)
Less: Tax Expenses	-	-
Loss after tax	(16,367.26)	(19,036.46)
Segment Assets		
Rail & ICD	51,332.89	69,722.09
Domestic Warehouse	38,639.86	40,031.63
Unallocated	623.10	808.30
Total	90,595.85	1,10,562.02
Segment Liabilities		
Rail & ICD	4,944.08	7,994.80
Domestic Warehouse	108.45	96.65
Unallocated	1,20,930.69	1,21,500.42
Total	1,25,983.22	1,29,591.87
Other Disclosures		
Capital Expenditure		
Rail & ICD	2.83	3.21
Domestic Warehouse	1.76	-
Unallocated	-	-
Total	4.59	3.21
Depreciation and amortisation expenses		
Rail & ICD	3,395.88	5,234.01
Domestic Warehouse	1,388.93	1,393.59
Unallocated	-	-
Total	4,784.81	6,627.60
Non-cash Expenditure		
Rail & ICD	-	16.11
Domestic Warehouse	-	-
Unallocated	-	-
Total	-	16.11

Customers individually contributes to more than 10% of revenue :-

There are 2 customers (March 31, 2020 - 4 customers) aggregating to Rupees 4,206.89 lakhs (March 31, 2020 Rupees 11,395.70 lakhs) constituting 54% (March 31, 2020- 78%) of Revenue.

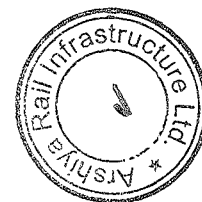


ARSHIYA RAIL INFRASTRUCTURE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- 40 To the extent, the company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under

Particulars	(Rupees in lakhs)	
	For the year March 31, 2021	For the year March 31, 2020
(i) Principal amount remaining unpaid	62.47	44.20
(ii) Interest due thereon remaining unpaid	1.10	0.31
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(v) Interest accrued and remaining unpaid (net of tax deducted at source)	1.10	0.31
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

41 RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

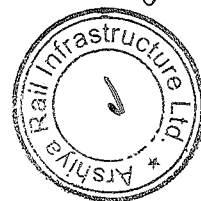
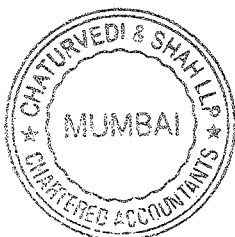
Sr. No.	Name of Related Party	Nature of Relationship	% of equity interest	Country of Incorporation
1	Arshiya Limited	Holding Company	100	India
2	Arshiya Northern Projects Private Limited Arshiya Northern FTWZ Limited Arshiya Logistics Services Limited	Fellow Subsidiaries		India
3	Mr. Ajay S. Mittal - Director Mr. Navnit Choudhary - Director Mr. Ashish Kumar Bairagra - Independent Director Mr. Rishabh Pankaj Shah - Independent Director Mr. Sarvothama Shetty - Chief Executive Officer (w.e.f. June 27, 2020) Mr. Rama Devadiga - Chief Financial Officer (w.e.f. August 25, 2020 till February 11, 2021) Mr. Abhijit Mehta - Company Secretary (w.e.f. June, 02, 2021) Ms. Avani Dipakkumar Lakhani - Company Secretary (till May 5, 2021)	Key Managerial Personnel (KMP)		
4	Rudrave Properties Private Limited	Controlled or jointly controlled entity		India
5	Mrs. Archana A Mittal Mr. Ananya A Mittal	Relative of Key Managerial Personnel		

(ii) The nature and amount of transactions with the above related parties are as follows

		(Rupees in lakhs)	
Name of the Party	Nature of Transaction	March 31, 2021	March 31, 2020
Arshiya Limited	Loans taken	(398.52)	(1,053.04)
	Loan repayments**	1,282.40	2,769.43
	Allocation of cost and common expenses by Holding Company*	(145.59)	(267.01)
	Financial Guarantees	(363.27)	(381.28)
	Share application money received	-	(1,950.00)
	Share application money refund	-	1,950.00
Rudrave Properties Private Limited	Loans taken	(100.00)	-
	Loan repayments	95.65	-
	Interest expense	(4.80)	-
	Interest paid	4.35	-
Arshiya Northern Projects Private Limited	Loan repayments	(3.70)	(1.30)
Arshiya Northern FTWZ Limited	Reimbursement of Expenses	(4.65)	-
Ananya Mittal	Salary Paid	24.30	27.06

* During the year, the Holding Company has allocated certain common cost and expenses incurred by it, to the company aggregating to Rupees 145.59 lakhs (31st March, 2020 - Rupees 267.01 lakhs) based on Holding Company's estimates of such cost and expenses attributable to the company. Hence, Employee benefit expenses (Refer Note No. 31) and certain expenses stated under other expenses (Refer Note No. 34) are presented as inclusive of such allocation of certain common costs and expenses.

** Previous year includes receivable of Rs. 1528.71 lakhs transfer to Holding Company for adjustment of liability payable by Holding Company.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(iii) Closing Balances

(Rupees in lakhs)

Name	March 31, 2021	March 31, 2020
Loans from related parties		
Arshiya Limited	14,373.51	15,111.81
Arshiya Northern Projects Private Limited	-	3.70
Rudradev Properties Private Limited	4.44	-
Financial Guarantee		
Arshiya Limited	616.26	998.49
Personal Guarantee (Liability Jointly & Severally) taken		
Ajay S Mittal	93,471.00	96,471.00
Archana A Mittal	93,471.00	96,471.00
Corporate Guarantee taken		
Arshiya Limited	75,436.69	78,436.69
Corporate Guarantee given		
Arshiya Limited	550.00	550.00

(iv) Key managerial personnel compensation

Ms. Avani Dipakkumar Lakhani - Company Secretary (till May 5, 2021)

(Rupees in lakhs)

Particulars	March 31, 2021	March 31, 2020
Short term employee benefits	5.93	6.43
Total	5.93	6.43

Mr. Siddarth Kasturia - Chief Executive Officer (w.e.f. March 26, 2019 till January 31, 2020)

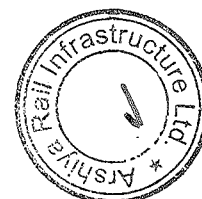
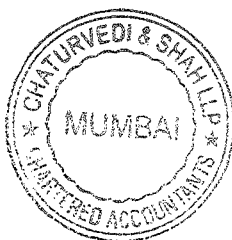
(Rupees in lakhs)

Particulars	March 31, 2021	March 31, 2020
Short term employee benefits	-	50.45
Total	-	50.45

Mr. Amardeep Gupta - Chief Financial Officer (w.e.f. March 26, 2019 till March 16, 2020)

(Rupees in lakhs)

Particulars	March 31, 2021	March 31, 2020
Short term employee benefits	-	21.17
Total	-	21.17



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

42 FAIR VALUE MEASUREMENTS

(i) Financial Instruments by Category

(Rupees in lakhs)

Particulars	Carrying Amount		Fair Value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	344.19	1,032.41	344.19	1,032.41
Cash and Cash Equivalents	33.90	76.63	33.90	76.63
Loans	-	307.97	-	307.97
Security Deposits	116.15	144.96	116.15	144.96
Other Bank Balances	311.77	296.18	311.77	296.18
Financial Guarantee	616.26	998.49	616.26	998.49
Total	1,422.27	2,856.64	1,422.27	2,856.64
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	83,068.04	89,297.42	83,068.04	89,297.42
Trade Payables	962.56	1,465.29	962.56	1,465.29
Other financial liabilities	39,954.07	34,056.89	39,954.07	34,056.89
Lease Liabilities	168.57	618.58	168.57	618.58
Total	1,24,153.24	1,25,438.18	1,24,153.24	1,25,438.18

(ii) Fair Valuation techniques used to determine fair value

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

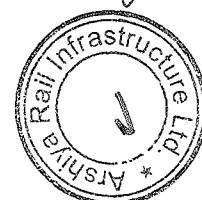
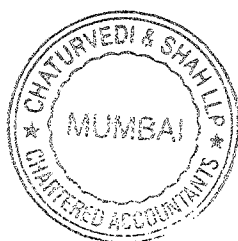
The following methods and assumptions were used to estimate the fair values:

- The Company assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- The fair values for security deposits and other financial liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

(iii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

- Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices.
- Level 2** - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3** - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

43 Financial Risk Management

The Company's principal financial liabilities comprises of borrowings, trade and other payables and financial guarantees contracts. The main purpose of these financial liabilities is to manage for the Company's operations. The Company's financial assets comprises of trade and other receivables, cash and deposits that arises directly from its operations.

The company's activities expose it to variety of financial risks including credit risk, liquidity risk and market risk. The Company's risks management assessment, management and processes are established to identify and analyze the risks faced by the Company to set up appropriate risks limits and controls and to monitor such risks and compliances with the same. Risks assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the company's activities.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and Financial assets measured at amortised cost.	Ageing analysis	Regular review of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of financial support from parent company
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Unhedged

The Company's risk management is carried out by management under the policies approved by the Board of Directors. The Board provides written principles for overall risk management as well as policies covering specific areas, such as credit risk, interest rate risk.

(A) Credit risk

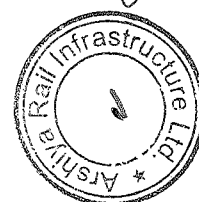
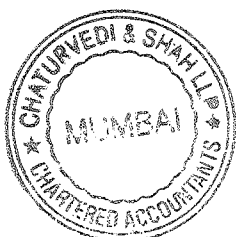
The Company is exposed to credit risk, which is risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents as well as credit exposures to trade customers including outstanding receivables.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the company through continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any further services to major customers are approved by the senior management. Credit risk is high as only few customers' account for majority of the revenue in the year presented. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain.

(B) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times; maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company limits its liquidity risk by ensuring funds from trade receivables. The Company relies on operating cash flows and funding from holding company to meet its needs for funds.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Contractual maturities of financial liabilities

(Rupees in lakhs)

Particulars	Less than 1 year	Between 1 year and 5 years	More than 5 year
March 31, 2021			
Borrowings	39,887.22	43,381.04	-
OCRPS (Debt and Equity component)	-	1,200.00	-
Trade payables	962.56	-	-
Other financial liabilities	39,956.36	-	-
Total Financial liabilities	80,806.14	44,581.04	-
March 31, 2020			
Borrowings	41,866.17	47,764.37	-
OCRPS (Debt and Equity component)	-	1,200.00	-
Trade payables	1,465.29	-	-
Other financial liabilities	34,033.66	-	-
Total Financial liabilities	77,365.12	48,964.37	-

(C) Market risk

Market Risk is the risk that the fair value of future cash flow of a financial instruments will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: 1) Foreign currency risk and 2) Interest rate risk

1) Foreign currency risk

1) Foreign currency risk is the risk that the fair value or future cash flow or an exposure will fluctuate because of changes in foreign exchange rates. However, the Company does not have any foreign currency exposure.

2) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During the 31st March, 2021 the Company's borrowings at the variable rate were mainly denominated in Rupees.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IND AS-107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

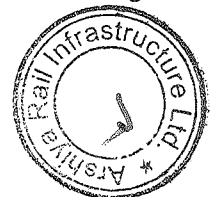
The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:-

Particulars	(Rupees in lakhs)	
	March 31, 2021	March 31, 2020
Variable rate borrowings	4,219.28	6,910.60

Interest sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates.

Particulars	(Rupees in lakhs)	
	Impact on profit before tax	
	March 31, 2021	March 31, 2020
Interest sensitivity		
50 bps increase the profit before tax by*	(21.10)	(34.55)
50 bps decrease the profit before tax by*	21.10	34.55
* Holding all other variable constant		



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

44 CAPITAL MANAGEMENT

For the company's objective when managing capital is to safeguard the company's ability to continue going concern in order to provide the return for shareholders and benefit to other stakeholders and to maintain an optional capital structure to reduce the cost of capital. Capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a Debt equity ratio.

Particulars	(Rupees in lakhs)	
	March 31, 2021	March 31, 2020
Borrowings	83,068.04	89,297.42
Other Financial Liabilities (interest accrued)	37,851.67	32,192.44
Total Debt	1,20,919.71	1,21,489.86
Equity	5,967.16	5,967.16
Other equity	(41,354.58)	(24,997.01)
Total Equity	(35,387.42)	(19,029.85)

Notes:-

(i) Debt is defined as long term and short term borrowings including current maturities and interest.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity.

Debt Covenants

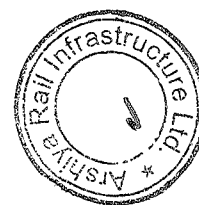
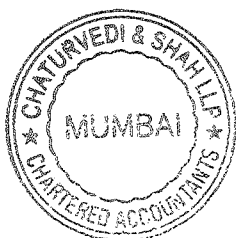
Under the terms of Restructuring Agreement, the company is required to comply with following financial covenants:-

Without prior approval of lender, the company shall not:

- Loans, debenture & charge** - Issue or subscribe to any debentures, shares, raise any loans, deposit from public, issue equity or preference capital, change its capital structure or create any charge on its assets including its cash flow or give any guarantees.
- Dividend on equity shares** - declare/pay dividend on equity shares unless otherwise approved by the Lender/Business Monitoring Committee in accordance with the provisions of RA.
- Investments by Borrower** - make any investments by way of deposits, loans, share capital etc. in any concern or elsewhere without prior approval of the Lender / Business Monitoring Committee.

In order to achieve this overall objective, the Capital Management, amongst other thing, aims to ensure that it meets Financial covenants attached to the interest bearing Loans and borrowings that define Capital structure requirements, there have been breaches in the Financial covenants of Interest bearing loans and borrowing in the Current period and previous period.

The Company has not proposed any dividend in last three years in view of losses incurred.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

45. Taxation

i) Tax Reconciliation

(Rupees in lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Reconciliation of tax expense		
Loss before tax	(16,367.26)	(19,036.46)
Enacted income tax rate (%) applicable to the Company #	26%	26%
Tax expenses calculated at enacted income tax rate	(4,255.49)	(4,949.48)
Related to Property plant & equipment	591.78	340.02
Effect of Expenses that are not deductible in determining taxable profit	1,582.21	3,224.69
Effect of Incomes that are not allowable in determining taxable profit	(1,085.83)	(2.77)
Tax Losses	3,167.33	1,387.53

The tax rate used for reconciliation above is the corporate tax rate of 26% at which the Company is liable to pay tax on taxable income under the Indian Tax Law.

ii) The Company has not recognised any deferred tax assets on deductible temporary differences, unused tax losses as it is not probable that the Company will have sufficient future taxable profit which can be available against the available tax losses.

iii) Unused tax losses for which no deferred tax assets has been recognised

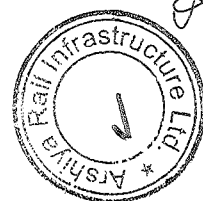
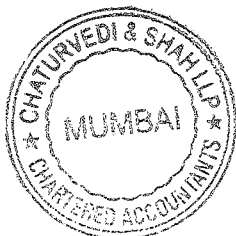
(Rupees in lakhs)			
Assessment Year	Business Loss	Available for utilisation till Assessment Year	Unabsorbed Depreciation
2012-2013	-		2,128.66
2014-2015	14,739.87	2022-2023	6,505.78
2015-2016	-		5,536.76
2016-2017	-		8,100.32
2017-2018	23,529.43	2025-2026	7,866.82
2018-2019	-		6,894.83
2019-2020	-		5,865.90
2020-2021	29.82	2028-2029	5,319.96
2021-2022	9,673.29	2029-2030	983.47
Total	47,972.41		49,202.49

Assessment Year	Long term Capital Loss (Rupees in lakhs)	Available for utilisation till Assessment Year
2016-17	369.21	2024-2025
Total	369.21	

Unused deferred tax assets as at March 31, 2021 Rupees 19,145.80 Lakhs (March 31, 2020 - Rupees 10,572.83 Lakhs) has not been recognised, as there is no convincing evidence that sufficient taxable profits will be available against which the unadjusted tax losses will be utilised by the Company.

Details of Deferred tax assets are mentioned below:-

(Rupees in lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Property plant equipment	7,667.11	7,895.53
Unabsorbed depreciation	(12,792.65)	(7,628.86)
Expense allowable on payments under section 43B and 40(a)(ia)	(1,548.82)	(3,131.32)
Unabsorbed loss	(12,549.62)	(7,429.82)
Financial Instruments	78.19	(278.36)
Total Deferred Tax Assets	(19,145.80)	(10,572.83)



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

46 Preparation of financial statements on "Going Concern" basis

The company has incurred net loss of Rupees 16,367.26 Lakhs during the year ended March 31, 2021 and as of that date, the company's current liabilities exceeded by its current assets by Rupees 80,995.89 lakhs. Some of its lenders have recalled their loans and the company is in the process of negotiating the revised payment terms with the lenders.

Further Government focus on development of logistic infrastructure for future growth in economy and provided the 'category of Infrastructure' sub-sectors to "Transport and Logistics" from the earlier sub-head of "Transport". According to the govt notification, logistics infrastructure includes "Multimodal Logistics Park comprising Inland Container Depot (ICD)" would come under logistics infrastructure.

The Company has strategically located at the confluence of Western & Eastern Dedicated Freight Corridor (DFC). The DFC to improve efficiency and cargo deliverables. Commissioning of DFC stretch could benefit customers by operation of longer, heavier and faster train services which will improve operational efficiency. Commencement of work on opening of Jewar Airport, close proximity to Khurja to provide boost to the Company's business.

In view of the focussed emphasis of the Government on logistics infrastructure sector and considering the fact that the facilities are yet to achieve full operational potential besides the strategic locations of the facilities, the management's future outlook of its businesses is very

The management of the company is in the process of restructuring its business operations and steps are as under :

- i Focus on long term contracts with corporate clients for stable revenues.
- ii Increased focus on Khurja as a distribution hub post GST implementation
- iii Government focus on Multi-modal logistic and transport services to increase the throughput of the infrastructure already created by the company;
- iv Two Dedicated Freight Corridor(s) (DFC) along the Western and Eastern part of India to support increase in the business volume.
- v Government announcement of Jewar Airport and Merut Highway connecting Jewar via Khurja and thereby connecting to Yamuna Expressway (i.e. Delhi to Agra).

The above steps shall enable the Company to improve Company's Net worth and its ability to discharge its debts/liabilities in near future. Further, based on financial support from the holding company, the financial statements of the Company have been prepared on a "Going Concern" basis.

- 47** As per debt covenant, the Company are required to adhere to repayment schedule and any short payment gives Edelweiss Asset Reconstruction Company (EARC) the right to convert whole of the outstanding amount of restructured rupee loan and/or part of the default amount into fully paid up equity shares of the Company. No such notice of conversion in writing has been given by EARC and the Company continues to disclose the amount as current and non-current as per repayment schedule, in the Balance Sheet.

- 48** During the year ended 31st March 2021, certain movable assets (Rakes and Containers) of the Company has been sold for a net sale consideration of Rs 14,756.57 Lakhs through auction process and lenders have appropriated the said sale proceeds against their dues. Further the Company have sold few other movable assets for a consideration of Rs 150.30 Lakhs and other non-usable assets has been discarded. Net gain of Rs 1,907.20 Lakhs on such sale and discarding of movable assets have been accounted as other income.

- 49** The company had entered into one-time settlement (OTS) with a lender and the effect was taken as an exceptional item during the financial year ended March 31, 2019. However, the Company has defaulted in payment as per the terms of the OTS. As a result, the Company needs to reverse the exceptional gain recorded during the respective year and needs to recognise Interest on the entire liability as per the original terms. The Company is in discussion with the lender for additional time to repay.

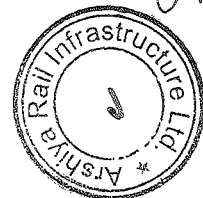
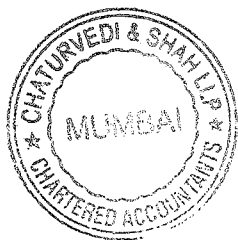
The Company has not reversed the gain, nor provided for additional interest. Had the Company reversed the gain and provided for additional interest, exceptional item would have been lower by Rs. 6,604.55 Lakhs and finance cost would have been higher by Rs. 9,012.15 Lakhs having consequential impact on total comprehensive income for the year ended 31st March, 2021.

- 50** The Company has procured certain capital goods under EPCG scheme at concessional rate of duty. On non fulfillment of certain conditions, the company may become liable to pay differential custom duty along with interest thereon such procurement. 5 EPCG license were closed with release of Corporate Guarantee last year. The management is hopeful of completing the expected obligation within the stipulated time for balance 1 EPCG license.

- 51** The Board of Directors of the Parent Company and Company's board at their meeting held on 24th May, 2018 has approved the Scheme of Arrangement to reorganize corporate structure i.e. demerger of "Domestic warehousing business" of the Parent Company into the company.

A Court convened Extra Ordinary General Meeting of Equity Shareholders of the Parent Company was held on 13th January 2020, pursuant to the Order dated 9th December 2019 passed by the Hon'ble National Company Law Tribunal (NCLT). The shareholders of the Parent Company have approved the Composite Scheme of Arrangement between Arshiya Limited ("Demerged Company") and the Company ("Resulting Company").

The said Scheme has been approved by shareholders, unsecured and secured creditors of the respective companies. A Joint Petition has been admitted by Hon'ble NCLT, Mumbai on 15th June, 2021 for sanctioning of the aforesaid Scheme and the said petition is fixed for hearing before the Hon'ble NCLT, Mumbai on 8th July 2021. The Scheme shall be given effect after receipt of necessary regulatory approvals.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- 52 i) The Company has sent email to all its lenders for independent confirmation of their outstanding as on 31st March 2021 aggregating Rs. 67,506.26 Lakhs with a request to confirm their balances directly to our statutory auditors. Out of these, the Company has received statements / confirmations amounting to Rs. 47,223.60 Lakhs which have been provided to statutory auditors. The Company is confident that there will not be significant changes in its liabilities.

ii) Balance confirmation of Capital Advance amounting to Rs. 1,001.64 lakhs have not been received by the Company.

- 53 i) Corporation Bank has filed a suit with Debt Recovery Tribunal, New Delhi, towards recovery of loan against the Company and Arshiya Limited as a Corporate Guarantor and two promoter directors of the holding company as Guarantors. The same is pending before the DRT Delhi. The matter is sub-judice.

Further, Corporation Bank has filed petition against the company for recovery of dues at NCLT under Insolvency and Bankruptcy Code, 2016. The matter is pending for pre-admission stage.

ii) Bank of India has filed a suit with Debt Recovery Tribunal II, Delhi, towards recovery of loan against the Company and Arshiya Limited as a Corporate Guarantor and two promoter directors of the holding company as Guarantors. The same is pending before the DRT II Delhi. The matter is sub-judice.

iii) Certain creditors have initiated for winding up petition against the Company. The Company is in process of negotiating and finalising the revised consent terms and/or making representations to the respective forum.

- 54 The Company disaggregates revenue from contracts with customers by type of products and services, geography and timing of revenue recognition.

Revenue disaggregation by type of goods and services is given note no. 28

Revenue disaggregation by geography is as follows:

Geography	(Rupees in lakhs)	
	For the year ended 31 st March 2021	For the year ended 31 st March 2020
In India	7,697.41	14,548.08
Outside India	-	-

Revenue disaggregation by timing of revenue recognition is as follows:

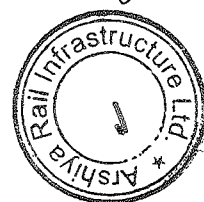
Geography	(Rupees in lakhs)	
	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Goods transferred at a point in time	-	-
Service transferred over time	7,697.41	14,548.08

- 55 Upon signing of Restructuring Agreement with Edelweiss Assets Reconstruction Company Limited (EARC) on 31st March 2017, the Company is accruing penal interest on restructured debt @ 8% p.a. based upon the balance confirmation provided by EARC till 30th September 2019 against the documented rate of 18% per annum. It has resulted in the short provision of penal interest amounting to Rs. 681.91 Lakh till the year ended 31st March, 2020 and for the year ended 31st March 2021 amounting to Rs. 2,069.29 Lakh. In aggregate penal interest provisions are lower by Rs. 2,751.20 Lakh till 31st March 2021. The Company represented to EARC for revision in penal interest and the same is under discussion.

- 56 The Company offers equity-based award plan to its employees through its Holding Company, Arshiya Limited. During the previous year, the Holding Company introduced an Arshiya Limited Employee Stock Option Scheme 2019 ("ESOP"), which is approved by the shareholders of the Holding Company to provide equity settled incentive to an employee of the Company. The ESOP scheme includes tenure based stock option awards. The specific Employees to whom the Options are granted and their Eligibility Criteria are determined by the Nomination and Remuneration Committee of Holding Company.

During the year, Holding Company has allotted 8,50,000 equity shares to the respective eligible employees.

- 57 The Company is fully functional as per various government notifications / guidelines issued so far. Accordingly, there is no significant impact on the financial statements of the Company. Further, in assessing the recoverability of the carrying amount of receivables, the Company has considered internal and external information up to the date of approval of these financial statements. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic (Covid 19) may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.



ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

58 Business Combinations

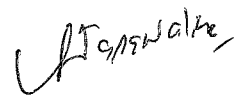
During the previous year ended March 31, 2020

- 58.1** The Board of Directors of the Company at its meeting held on 21st March, 2017 approved a Scheme of Amalgamation and Arrangement ("the Scheme") which provides for Amalgamation of Arshiya Industrial and Distribution Hub Limited (AIDHL) and Arshiya Transport and Handling Limited (ATHL) with the Company. The appointed date is 1st October, 2015. The AIDHL was engaged in providing facility of warehousing including temperature controlled storage and other cargo/ logistics related activities through Inland Container Depot (ICD). The ATHL was not having any operational activity.
- 58.2** National Company Law Tribunal, Mumbai Bench (NCLT) (the appropriate authority) has approved the above Scheme vide its order pronounced on 06th December, 2019. Certified copy of aforesaid NCLT order has been filed with the Registrar of Companies on 06th January 2020, from which date the Scheme has become effective and accordingly, AIDHL and ATHL has ceased to exist.
- 58.3** 1,72,37,152 Equity Shares and 50,000 Equity shares will be allotted of the Company to the shareholders (i.e. Arshiya Limited) of AIDHL and ATHL, in the ratio of 1 equity shares of Rs. 10/- each fully paid up against 1 equity shares of Rs. 10/- each fully-paid up held by them on the record date i.e. 06th January, 2020 for this purpose. Pending issue of such shares as at March 31, 2020, at face value of the shares to be issued has been accounted under Share Capital Suspense Account.
- 58.4** The authorised share capital of the Company has been increased from Rs. 4,500 lakhs in March 2019 to Rs. 6,505 lakhs in Mar 2020 comprising 6,15,00,000 equity shares of Rs. 10 each and 35,50,000 preference shares of Rs. 10 each.
- 58.5** The Scheme has been accounted for as per the accounting treatment approved by the NCLT read with applicable accounting standards prescribed under section 133 of the Companies Act, 2013. The scheme has been accounted under the pooling of interest method with effect from appointed date as per the above mentioned NCLT order and accordingly the comparatives for the previous year have been restated. Further, the financial statements as of the first day of the previous year i.e. April 1, 2018 have also been presented as per Ind AS 1 "Presentation of Financial Statements". All assets and liabilities of AIDHL and ATHL as at 1st October 2015 have been taken over at their existing book values. The balance of reserves pertaining to AIDHL and ATHL, as appearing in the financial statements of AIDHL and ATHL as on 1st October 2015 is aggregated with the corresponding balance appearing in the financial statements of the Company. There is no difference between the consideration and value of net identifiable assets acquired.
- 59** The Parliament of India has approved the Code on Social Security, 2020 ("the Code") which, inter alia, deals with employee benefits during employment and post-employment. The effective date of the Code is yet to be notified and the rules for quantifying the financial impact are also yet to be issued. In view of this, the impact of the change, if any, will be assessed and recognised post notification of the relevant provisions.
- 60** The figures for the previous year have been re-grouped / re-arranged, wherever necessary, to correspond with the current year's classification/disclosure.

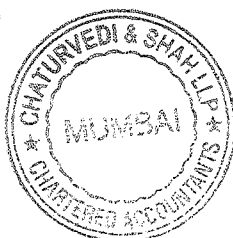
Notes to the financial statements
As per our Report of even date

1-60

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number 101720W/W100355



Vijay Napawaliya
Partner
Membership Number. 109859

Place : Mumbai
Date: June 30, 2021



For and on behalf of Board of Directors of
Arshiya Rail Infrastructure Limited


Ajay S Mittal
Director
DIN : 00226355


Navnit Choudhary
Director
DIN : 00613576


Abhijit Mehta
Company Secretary

