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CHATURVEDI & SHAH LLP
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of
Arshiya Rail Infrastructure Limited

Report on the Audit of Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Financial Statements of **Arshiya Rail Infrastructure Limited ('the Company')**, which comprise the Balance Sheet as at 31st March 2022, 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 matters 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 2022, 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. 50 (i) to the financial statements, 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. 2751.20 Lakh till the year ended 31st March 2021 and for year ended 31st March 2022 amounting to Rs. 3,080.01 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. 5,831.21 Lakh till 31st March 2022. Had interest been recognised at its documented rate, finance cost for the year ended 31st March 2022 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. 52 of the financial statements, the 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 2021 Rs. 9012.15 Lakh and for the year ended 31st March, 2022 Rs. 3,481.28 Lakh, aggregating to Rs. 12,493.43 Lakh till 31st March, 2022. 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. 12,493.43 Lakh by equivalent amount as mentioned above, having consequential impact on total comprehensive income and other equity.*

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iii. *We draw attention to the Note no. 54 of the financial statements, during the course of preparation of standalone financial statements for the year ended 31st March 2022, e-mails have been sent to lenders by the Company with a request to confirm their balances directly to us. As at 31st March 2022, direct balance confirmations of total borrowings including interest accrued (including current maturities and current borrowings), aggregating to Rs. 119422.01 Lakh have not been received. We are unable to obtain sufficient appropriate audit evidence about these borrowings (including interest) outstanding as at 31st March 2022. Consequently, we are unable to determine whether any adjustment to these amounts are necessary and consequential impacts on the standalone financial statements of the Company.*

iv. *For reasons mentioned in Note no. 5 A (1) of the financial statements, the Company could not assess the impairment of carrying value of property, plant and equipment in accordance with requirements of Indian Accounting Standard 36 on "Impairment of Assets". We are unable to obtain sufficient appropriate audit evidence about the recoverable amount of the same. Consequently, we are unable to determine whether any adjustments to carrying value of property, plant and equipment are necessary as at 31st March 2022 and consequential impacts on the standalone financial statements.*

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. 48 of the Financial Statements, the Company incurring losses and it's net worth as at 31th March, 2022 is negative, unable to pay its dues to operational and financial creditors, the Company has defaulted in repayment of dues to lenders and started recovery proceeding under SARFAESI from EARC by disposing off tangible and intangible assets, lenders have even called back their loans, lenders have classified Company's borrowing as NPA, current liabilities exceeded its current assets of the Company, creditors have applied before NCLT under Insolvency and Bankruptcy Code, 2016. Since it's sizable movable assets under rail operations has been disposed off by lenders, the Company is evaluating various options to utilize optimally it's assets pertaining rail operations, ICD and domestic warehousing. We have been informed by the management that Company is also under advanced stage of debt restructuring with EARC. These matters including others matters as set out in the notes indicate that a material uncertainty exists that may cast significant doubt about their ability to continue as a going concern. The financial statements of the Company have been prepared on the going concern basis. The said assumption of going concern is dependent upon above said factors and generation of cash flows to meet its obligations. Our opinion is not modified in respect of this matter.

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Emphasis of Matters

i. We draw attention to Note no. 62.1 of the financial statements, regarding accounting of the scheme from the appointed date being 1st April 2019 as approved by the National Company Law Tribunal, though the Scheme has become effective on 2nd February, 2022 and restatement of comparatives for the previous years by the management of the Company.

ii. We draw attention to Note no. 62.2 of the financial statements, one of the lenders of the Arshiya Limited, had preferred an appeal in "Hon'able National Company Law Appellate Tribunal", ("NCLAT"), against the order of Hon'able National Company Law Tribunal, Mumbai sanctioning the Scheme of Arrangement between the Company and Arshiya Limited. NCLAT ordered to maintain the status quo prevailing as on that date, vide it's order dated 4th March 2022. According to the legal opinion obtained by the Arshiya Limited and in view of the Management, it can prepare the financial statements of the Company as per sanctioned scheme of arrangement.

iii. We draw attention to the Note no. 55 of the financial statements, regarding the balance confirmations of trade receivables and trade payables. During the course of preparation of standalone financial statements, e-mails/letters have been sent to various parties by the Company with a request to confirm their balances directly to us out of which only few parties have responded. The management is confident and is of the view that there will not be any material variation in the said balances.

iv. As at 31st March, 2022, balance confirmation of capital advance amounting to Rs. 1,041.64 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).

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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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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.

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.

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- 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, 2020, 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.

2. Further to our comment in the Annexure A, as required by Section 143 (3) of the Act, we report that:

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

   b. *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;

   c. 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;

   d. *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;

   e. On the basis of the written representations received from the directors of the Company as on 31st March, 2022 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;

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f. 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;

g. 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"**;

h. The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

i. 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.

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. 37 (ii) and 56 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.

    iv. (a) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

    (b) Management has represented to us that, to the best of it's knowledge and belief, as disclosed in the notes to financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (j) (iv) (a) & (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

For Chaturvedi & Shah LLP
Chartered Accountants
Registration No. 101720W/ W100355

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 22109859AVBGLL8562

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 31st August 2022

CHATURVEDI & SHAH LLP
Chartered Accountants

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT ON THE STADNALONE FINANCIAL STATEMENTS OF ARSHIYA RAIL INFRASTRUCTURE LIMITED

(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 standalone financial statements for the year ended 31st March 2022)

(i) In respect of its property, plant and equipment and Intangible Assets :-

a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment including right of use (ROU) assets on the basis of available information.

(B) The Company has maintained proper records showing full particulars of intangible assets on the basis of available information.

b) As explained to us, the Company has physically verified property, plant and equipment including right of use (ROU) assets, 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) According to the information and explanations given to us and the records examined by us in respect of immovable properties disclosed as property, plant and equipment, and right of use assets (other than properties where the company is the lessee and the lease agreements are duly executed in favors of the lessee) in the financial statements are in the name of the Company, except as mentioned below: -

Description of Property	Gross carrying value (Rs. in Lakh)	Held in the name of	Whether promoter, director or their relative or Employee	Period held since	Reason for not being in the name of Company
Freehold land	7499.35	Arshiya Limited	No	1/4/2019	By virtue of NCLT order 21st January 2022, domestic business has been demerged from Arshiya Limited into the Company.

d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) a) The nature of business of the Company does not require any inventory during the year. Therefore the provisions of Clause 3 (ii) of the Order is not applicable to the Company.

b) As per the information and explanations given to us and books of accounts and records examined by us, there is no working capital limits, from banks or financial institutions on the basis of security of current assets has been sanctioned. Therefore, clause (ii) (b) of Paragraph 3 of the Order is not applicable to the Company.

(iii) With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:

a) As per the information and explanations given to us and books of accounts and records examined by us, during the year Company has not provided any guarantee or security or has not granted any loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities except as mentioned below:-

Rs. In Lakh

	Guarantees	Loans
Aggregate amount granted / provided during the year		
- Others	-	225.37
Balance outstanding as at balance sheet date in respect of above cases		
- Others	-	225.37
- Related Parties	600	2437.84

b) In our opinion and according to information and explanations given us and on the basis of our audit procedures in respect of the investments made, guarantee provided, and the terms and conditions of all loans and advances in the nature of loans are, prima facie, not prejudicial to Company's interest. The Company has not made any security.

c) According to the books of accounts and records examined by us in respect of the loans and advances in the nature of loans, where the schedule of repayment of principal and payment of interest has been stipulated, the repayments or receipts are generally regular.

d) According to the books of accounts and records examined by us in respect of the loans, there is no amount overdue for more than ninety days.

e) In our opinion and according to information and explanation given and books of accounts and records examined by us, there are no loans granted which has fallen due during the year and renewed or extended or fresh loans has been granted to settle the over dues of existing loans given to the same parties. Therefore, the provisions of Clause 3 (iii) (e) of the Order are not applicable to the Company.

f) In our opinion and according to information and explanation given and records examined by us, the company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.

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(iv) In our opinion and according to the information and explanations provided to us, provisions of section 185 and 186 of the Companies Act 2013, in respect of loans, investments, guarantees and security, as applicable, have been complied with

(iv) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

(v) 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.

(vi) In respect of Statutory dues :

a) According to the records of the Company and information and explanations given to us, the Company has generally been regular, in depositing undisputed statutory dues, including Goods and Service Tax, provident fund, employees' state insurance, duty of customs, cess and any other material statutory dues, except income tax, 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, 2022 for a period of more than six months from the date they became payable except as mentioned below :-

Name of the Statute	Nature of the Dues	Amount (Rs. In Lakh)	Period to which the amount relates	Due Date	Date of Payment
Service tax Act, 1994	Service tax Interest on Service tax	23.46 42.63	Current and previous financial years	Various due date of current and previous financial years	Not yet paid
Income Tax Act, 1961	TDS Interest on TDS	756.55 755.41	Current and previous financial years	Various due date of current and previous financial years	Not yet paid

b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub clause (a) which have not been deposited on account of any dispute.

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(vii) According to the information and explanations given to us and representation given to us by the management, Company has not surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, any transactions which are not recorded in the books of account. Therefore the Provisions of Clause 3(viii) of the Order is not applicable to the Company.

(viii) a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender except as mentioned below:-

(Rs. In Lakh)

Nature of borrowing and Name of the lender	Amount of continuing default as on 31st March, 2022			No. of days delay (Days)
	Principal	Interest		
Edelweiss Asset Reconstruction Company Limited-through Various trust	-	252.91		1462-1736
	-	4,070.92		1097-1371
	3,630.33	12,919.82		731-1096
	10,173.93	4,449.89		366-730
	46,910.25	10,886.27		1-365
Edelweiss Asset Reconstruction Company Limited - Short Term Priority Loan	3,000.00	630.04		1097-1371
	-	774.24		731-1006
	-	944.07		366-640
		1,104.03		1-275
Corporation Bank	-	676.15		3287
	-	521.24		2588-2922
	1,549.10	725.71		2192-2467
	-	901.75		1827-2101
	-	1,059.67		1462-1797
	-	1,303.57		1097-1432
	-	1,459.54		731-1067
	-	1,715.07		366-701
		1,796.92		1-366
Bank of India	1,834.00	-		1097
		59.58		1-91
Karur Vysya Bank Limited	-	288.90		3287
	-	218.76		2558-2922
	836.18	310.23		2192-2467
	-	385.48		1827-2101
	-	452.98		1431-1797
	-	1,120.39		1097-1432
	-	730.72		731-1067
	-	876.60		366-701
		944.29		1-366
Total	**67,933.79**	**51,579.74**		

b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.

c) In our opinion, and according to the information and explanations given and records examined by us, the Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause 3(ix) (c) of the Order is not applicable to the Company.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, *prima facie*, we report that short-term funds available amounting to Rs. 120620. 48 Lakh have been used for long-term purposes by the company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have any associates or joint ventures.

f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have any associates or joint ventures.

(ix) a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and hence clause (x)(a) of paragraph 3 of the Order is not applicable to the Company.

b) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year under audit.

(x) a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

b) According to the information and explanations given to us, No report under sub-section 12 of section 143 of the Act has been filed by us or by any other auditor in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.

(xi) In our opinion, company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.

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(xii) The Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the companies 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.

(xiii) a) In our opinion, and according to the information and explanations given to us, the internal audit system needs to be strengthened to make it commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the company issued till date, for the period under audit.

(xiv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in Section 192 of the Act.

(xv) a) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

c) In our opinion, and according to the information and explanations provided to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

d) In our opinion, and according to the information and explanations provided to us, the Group has no Core Investment Company (CIC) as part of the group.

(xvi) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses in the financial year and in the immediately preceding financial year amounting to Rs 16,366.86 Lakhs and Rs. 11,492.67 Lakhs respectively.

(xvii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of Paragraph 3 of the Order are not applicable to the Company.

(xviii) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting and the various conditions specified under paragraph "Material uncertainty related to Going Concern" above, which indicates and causes us to believe that material uncertainty exists as on the date of the audit report that the Company is capable of meeting all of its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

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(xix) According to the information and explanations given to us, provisions of section 135 are not applicable to the Company. Therefore, provisions of clause (xx) of the Order are not applicable to the Company.

For Chaturvedi & Shah LLP
Chartered Accountants
Registration No. 101720W/ W100355

Napawaliya

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 22109859AVBGLL8562

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 31st August 2022

"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 standalone financial statements for the year ended 31st March 2022.

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 standalone financial statements of Arshiya Rail Infrastructure Limited ("the Company") as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone 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 standalone 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 standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 standalone 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 standalone financial statements.

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

CHATURVEDI & SHAH LLP
Chartered Accountants

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 & explanations provided by the management, the material weaknesses have been identified in the Company's internal financial controls with reference to Standalone Financial Statements as at 31st March, 2022 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, iii) obtaining balance confirmations of borrowing (including interest) from lenders and iv) assessment of recoverable value of property, plant and equipment and consequential impairment, if any.

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 standalone financial statements as at March 31, 2022 based on the internal control with reference to standalone 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 standalone financial statements were operating effectively as at 31st March, 2022.

CHATURVEDI & SHAH MUMBAI CHARTERED ACCOUNTANTS

CHATURVEDI & SHAH LLP
Chartered Accountants

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone 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.

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 standalone financial statements of the Company for the year ended 31st March, 2022, and these material weakness do not affect our opinion on the standalone financial statements of the Company.

For Chaturvedi & Shah LLP
Chartered Accountants
Registration No. 101720W/ W100355

Vijay Napawaliya
Partner
Membership No. 109859
UDIN : 22109859AVBGLL8562

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 31st August 2022

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ARSHIYA RAIL INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT MARCH 31, 2022

(Rupees in lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	5 A	88,947.23	92,566.57	109,804.29
(b) Right of use assets	5 B	10.98	142.39	568.90
(c) Intangible Assets	6	66.52	2,124.60	2,474.49
(d) Financial Assets				
(i) Investments	7	1.00	-	-
(ii) Other Financial Assets	8	-	346.67	649.91
(e) Other Non-Current Assets	9	1,294.43	1,291.63	1,321.26
		90,320.16	**96,471.86**	**114,818.85**
Current assets				
(a) Financial Assets				
(i) Trade Receivables	10	28.15	351.39	1,077.74
(ii) Cash and Cash Equivalents	11	17.52	33.90	76.62
(iii) Loans	12	2,663.21	2,461.49	1,905.47
(iv) Bank Balances Other than (ii) above	13	103.37	275.09	289.34
(v) Other Financial Assets	14	391.26	422.43	500.38
(b) Other Current Assets	15	256.99	547.82	1,036.00
		3,460.50	**4,092.12**	**4,885.55**
TOTAL ASSETS		**93,780.66**	**100,563.98**	**119,704.40**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	16	-	-	-
(b) Share capital suspense account	16	2,622.76	2,622.76	2,622.76
(c) Other Equity	17	(34,075.65)	(13,668.53)	2,599.26
		(31,452.89)	**(11,045.77)**	**5,222.02**
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	1,071.43	43,180.82	47,431.25
(ii) Lease Liabilities	19	-	46.97	254.64
(iii) Other Financial Liabilities	20	-	-	35.51
(b) Provisions	21	16.74	38.42	81.43
(c) Other Non-Current Liabilities	22	62.74	97.82	1,266.83
		1,150.91	**43,364.03**	**49,069.66**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	67,846.62	25,513.71	26,754.36
(ii) Trade Payables	24			
(A) Total outstanding dues of Micro and Small Enterprises		72.83	62.47	44.20
(B)Total outstanding dues of creditors Other than Micro and Small Enterprises		605.37	900.09	1,421.09
(iii) Lease Liabilities	25	14.04	121.59	363.94
(iv) Other Financial Liabilities	26	53,758.00	39,956.03	34,030.57
(b) Other Current Liabilities	27	1,780.99	1,684.40	2,786.04
(c) Provisions	28	4.79	7.43	12.52
		124,082.64	**68,245.72**	**65,412.72**
TOTAL EQUITY & LIABILITIES		**93,780.66**	**100,563.98**	**119,704.40**

Notes to the financial statements 1-76

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Place : Mumbai
Date: 31st Aug,2022

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

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

ARSHIYA RAIL INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rupees in lakhs)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue from operations	29	828.13	7,785.61
Other income	30	417.37	4,086.07
Total Income (I)		**1,245.50**	**11,871.68**
EXPENSES			
Cost of operations	31	47.97	5,868.10
Employee benefits expenses	32	617.66	1,053.36
Finance costs	33	15,718.41	15,648.58
Depreciation and amortization expenses	34	4,042.86	4,784.81
Other expenses	35	1,228.32	794.31
Total Expenses (II)		**21,655.22**	**28,149.16**
Loss before tax (I-II)		(20,409.72)	(16,277.48)
Tax expense:	47		
Current tax		-	-
Deferred tax		-	-
Loss for the year		(20,409.72)	(16,277.48)
OTHER COMPREHENSIVE INCOME (OCI)			
Item not to be reclassified to profit and loss :			
Remeasurement of gains/ (losses) on defined benefit plans	39	2.60	9.69
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(20,407.12)	(16,267.79)
Earnings per Equity shares (Face Value Rupees 10 each)	36		
Basic/ Diluted earnings per share (In Rupees)		(15.56)	(12.41)

Notes to the financial statements 1-76

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

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

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

Place : Mumbai
Date: 31st Aug,2022

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

ARSHIYA RAIL INFRASTRUCTURE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A Equity Share Capital (Refer Note 16)

(Rupees in lakhs)

Particulars	Amount
As at April 1, 2020	-
Equity Shares	-
Issue of equity share during the year	-
As at March 31, 2021	-
Equity Shares	-
Issue of equity share during the year	-
As at March 31, 2022	-

B Share Capital Suspense Account (Refer Note 16)

(Rupees in lakhs)

Particulars	Amount
As at April 1, 2020	2,622.76
Movement during the year	-
As at March 31, 2021	2,622.76
Movement during the year	-
As at March 31, 2022	2,622.76

B Other Equity (Refer Note 17)

(Rupees in lakhs)

Particulars	Reserve & Surplus			
	Retained Earnings	Capital Reserve	Equity Component of Zero% Optionally Convertible Preference shares (OCRPS)	Total
As at April 1, 2020	(28,601.98)	30,682.15	519.09	2,599.26
Loss for the year	(16,277.48)	-	-	(16,277.48)
Other comprehensive income	9.69	-	-	9.69
Total comprehensive income for the year	(16,267.79)	-	-	(16,267.79)
As at March 31, 2021	(44,869.77)	30,682.15	519.09	(13,668.53)
Profit for the year	(20,409.72)	-	-	(20,409.72)
Other comprehensive income	2.60	-	-	2.60
Total comprehensive income for the year	(20,407.12)	-	-	(20,407.12)
As at March 31, 2022	(65,276.89)	30,682.15	519.09	(34,075.65)

Notes to the financial statements 1-76

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

Place : Mumbai
Date: 31st Aug,2022

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

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

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

ARSHIYA RAIL INFRASTRUCTURE LIMITED
Cash Flow Statement for the year ended March 31, 2022

(Rupees in lakhs)

Particulars		As at March 31, 2022	As at March 31, 2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) for the year before tax		(20,409.72)	(16,277.48)
Adjustments for :			
Depreciation and amortization expenses		4,042.86	4,784.81
Interest Income		(7.94)	(17.44)
Interest on loan to others		(23.11)	-
Loss/(Gain) on sale/discarded Property, plant and equipment / Intangible Assets		530.20	(1,907.20)
Gain on Lease modification		(4.78)	(24.09)
Provision for Doubtful debts/ ECL		7.20	-
Interest on others		-	(8.61)
Sundry Balances Written Back (net)		(258.36)	(23.76)
Finance Expense		15,718.41	15,648.58
Interest on Income Tax refund		(6.90)	(13.54)
Rent concession		(4.38)	(27.49)
Excess provision write back		(26.64)	(18.58)
Share based Payment		-	108.95
Fair value of financial instruments		(0.14)	(1.98)
Government grant – income		(35.07)	(1,499.43)
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES		**(478.38)**	**722.74**
Adjustments for			
Trade & other payables		(135.94)	(1,435.51)
Trade & other receivables		604.27	1,176.39
CASH GENERATED FROM OPERATIONS		(10.05)	463.62
Direct Tax (Paid)/ Refunds		66.40	87.11
NET CASH FLOW FROM OPERATING ACTIVITIES	**Total (A)**	**56.35**	**550.73**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(0.44)	(4.59)
(Increase)/ decrease in other bank balances		199.16	(11.06)
Proceeds from Sale of Property, Plant and Equipment/ Intangible Assets		1,200.00	14,947.46
Loans given to other (Net)		(201.72)	(556.02)
Investment in subsidiary		(1.00)	-
Interest Income on Fixed Deposits		17.20	12.91
Interest Income on loans to others		23.11	-
NET CASH FLOW FROM/ USED IN INVESTING ACTIVITIES	**Total (B)**	**1,236.31**	**14,388.70**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings - Non current		-	(5,651.31)
Payment of Lease Liability		(114.02)	(248.67)
Borrowing - current (Net)		-	(75.14)
Interest paid on borrowings		(1,195.00)	(9,007.04)
NET CASH FLOW FROM/ USED INFINANCING ACTIVITIES	**Total (C)**	**(1,309.02)**	**(14,982.16)**
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C)	(16.36)	(42.73)
Cash and cash equivalents at the beginning of the year		33.90	76.62
Cash and Cash Equivalents at the end of the year (Refer Note no. 11)		**17.52**	**33.90**

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

Particulars	March 31, 2021	Cash flow	INDAS impact	Other non cash adjustment	March 31, 2022
Long term borrowing (Refer Note no. 18 & 23)	65,690.18	-	223.53	-	65,913.71
Short term borrowing (Refer Note no. 23)	3,000.00	-	-	-	3,000.00

Notes to the financial statements 1-76

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

Place : Mumbai
Date: 31st Aug, 2022

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

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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 205 & 206, Level 2, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

Arshiya Rail Infrastructure Limited (ARIL) offering unprecedented rail infrastructure, including Private Freight Terminal (PFT), warehousing including temperature controlled storage and Inland Container Depot (ICD) . The company is engaged in PFT business, warehousing and ICD business for Exim Traffic. ARIL's unique offering provide unparalleled efficiencies with capability of large scale evacuation of cargo from Ports, Domestic Distriparks Warehousing, Free Trade and Warehousing Zones , Inland Container Depot (ICD) and customer Sidings.

The financial statements of the Company for the period from 1st April, 2019 upto 31st March 2021 have been restated pursuant the Scheme of Arrangement (Scheme) approved by National Company Law Tribunal, Mumbai Bench (NCLT) vide it's order dated 21st January, 2022. The Scheme became effective from 2nd February, 2022 with the Appointed date of the scheme is 1st April, 2019 (Refer Note No. 60).

The financial statements of the Company for the year ended 31st March, 2022 were approved and adopted by board of directors in their meeting held on 31st August, 2022.

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.

CHATURVEDI & SHAH LLP * MUMBAI * CHARTERED ACCOUNTANTS

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 note 5b, 19 & 25 respectively 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. Cost is computed on the First in first out basis.

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.

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

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 - Equity Investment in subsidiaries
The Company has accounted for its equity investment in subsidiaries at cost.

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.

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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, but it is recognised as an asset.

3.9 Revenue recognition

Revenue is recognized upon transfer of control of goods (equipment) 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 fron 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 provided (Percentage of completion method)

(ii) Measement 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.

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(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 recognized 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.

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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 (including MAT and income tax for earlier years) 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 temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period 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 involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.

(iii) Adjustments are only made to harmonise accounting policies.

(iv) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

(v) The balance of the Retained Earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.

(vi) The identities of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

(vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to Capital Reserve and is presented separately from Other Capital Reserves.

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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.

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.

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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 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 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.

4.2 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. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

4.3 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.

4.4 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.

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4.5 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.

4.6 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.

4.7 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.

4.8 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

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 1, 2022

• Ind AS 101 – First time adoption of Ind AS
• Ind AS 103 – Business Combination
• Ind AS 109 – Financial Instrument
• Ind AS 16 – Property, Plant and Equipment
• Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets
• Ind AS 41 – Agriculture

Application of above standards are not expected to have any significant impact on the company's financial statements.

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ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

5 A PROPERTY, PLANT AND EQUIPMENT

(Rupees in lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Computer	Railway Terminals	Leasehold Improvements	Total
Gross Carrying Value									
As at April 1, 2020	43,310.61	44,133.37	31,361.36	396.75	44.13	109.15	14,388.57	161.15	133,905.09
Additions	-	-	2.83	1.76	-	-	-	-	4.59
Disposals	-	-	(22,914.65)	-	(2.80)	(0.29)	-	-	(22,917.74)
As at March 31, 2021	43,310.61	44,133.37	8,449.54	398.51	41.33	108.86	14,388.57	161.15	110,991.94
Additions	-	-	0.44	-	-	-	-	-	0.44
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2022	43,310.61	44,133.37	8,449.98	398.51	41.33	108.86	14,388.57	161.15	110,992.38
Accumulated Depreciation									
As at April 1, 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)	(0.00)	-	-	(9,877.48)
As at March 31, 2021	-	8,101.97	4,026.38	276.31	26.53	95.52	5,799.23	99.43	18,425.37
Depreciation for the year	-	1,595.48	757.99	54.81	4.98	0.23	1,162.17	44.12	3,619.78
Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	9,697.45	4,784.37	331.12	31.51	95.75	6,961.40	143.55	22,045.15
Net Carrying value as at March 31, 2022	43,310.61	34,435.92	3,665.61	67.39	9.82	13.11	7,427.17	17.60	88,947.23
Net Carrying value as at March 31, 2021	43,310.61	36,031.40	4,423.16	122.20	14.80	13.34	8,589.34	61.72	92,566.57
Net Carrying value as at April 1, 2020	43,310.61	37,628.60	18,797.72	174.95	21.06	13.95	9,751.50	105.90	109,804.29

Note:-
1) The carrying value of property, plant and equipment (PPE) as at 31st Mar'2022 is Rs. 88,947.23 lakh (including carrying value of free hold land of Rs. 43,310.61 lakh). The Company has not taken into consideration impacts of impairment, if any, in the value of its PPE, since the Company has not made full assessment of impairment as required by " IND AS 36" on " Impairment of Assets". The management of the Company is evaluating various options, including restructuring of its business operations and entering into long term contracts with customers, maximumutilisation of facility, capturing business from development of DFC & Jewar airport in PFT etc.

2) Title deeds of Immovable Properties not held in the name of Company

Description of item of Property	Gross Carrying value	Title deed held in the name of	Title deed holder is a promoter, director or relative of promoter/director	Property held since date	Reason for not being held in the name of the Company
43.23 acre of land situated at Khurja	7499.35	Arshiya Limited	No	1st April, 2019	Due to Demerger, this land is transferred in ARIL as per scheme but transfer in Govt. records is under process.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

5 B RIGHT TO USE ASSET

(Rupees in lakhs)

Particulars	Total
Gross Carrying Value	
As at April 1, 2020	**874.04**
Additions	-
Disposals	(331.90)
As at March 31, 2021	**542.14**
Additions	-
Disposals	(111.76)
As at March 31, 2022	**430.38**
Accumulated Depreciation	
As at April 1, 2020	**305.14**
Depreciation for the year	232.88
Deductions	(138.27)
As at March 31, 2021	**399.75**
Depreciation for the year	95.19
Deductions	(75.54)
As at March 31, 2022	**419.40**
Net Carrying value as at March 31, 2022	**10.98**
Net Carrying value as at March 31, 2021	**142.39**
Net Carrying value as at April 1, 2020	**568.90**

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ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

6 INTANGIBLE ASSETS

(Rupees in lakhs)

Particulars	Computer Software	Rail Licenses fees	Total
Gross Carrying Value			
As at Apil 1, 2020	**713.31**	**3,208.33**	**3,921.64**
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2021	**713.31**	**3,208.33**	**3,921.64**
Additions	-	-	-
Disposals*	-	(3,208.33)	(3,208.33)
As at March 31, 2022	**713.31**	**-**	**713.31**
Accumulated Amortisation			
As at April 1, 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**
Amortisation for the year	99.93	227.97	327.90
Deductions*	-	(1,478.15)	(1,478.15)
As at March 31, 2022	**646.79**	**-**	**646.79**
Net Carrying value as at March 31, 2022	**66.52**	**-**	**66.52**
Net Carrying value as at March 31, 2021	**166.45**	**1,958.15**	**2,124.60**
Net Carrying value as at April 1, 2020	**266.43**	**2,208.06**	**2,474.49**

* Note - Railway license (Category- I, CTO) is sold through SARFAESI Act by EARC e-auction sale in Rs. 1200 lakhs dated 28th Feb'22. Net book value as on 28th Feb'2022 is Rs. 1730.20 lakhs. Loss on sale of License of Rs. 530.20 lakhs shown in other expenses note no. 35.

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ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

7 NON CURRENT FINANCIAL ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Investments			
(Unquoted Investments carried at Cost)			
Investments in Equity Instruments of Subsidiary			
AMD Business Support Services Private Limited (10,000 shares and face value Rs. 10 each)	1.00	-	-
Total	**1.00**	**-**	**-**

8 OTHER NON CURRENT FINANCIAL ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Unsecured, considered good unless otherwise stated			
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**

9 OTHER NON CURRENT ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Unsecured, considered good unless otherwise stated			
Capital Advances	1,041.64	1,001.64	953.64
Advances other than Capital advances			
- Other Advances - gratuity	22.30	-	-
Others			
- Prepaid Rent	-	-	0.12
- TDS Receivable	230.49	289.99	362.36
- Service tax paid under protest	-	-	5.14
Total	**1,294.43**	**1,291.63**	**1,321.26**

10 CURRENT ASSETS - TRADE RECEIVABLES

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Trade Receivables considered good - Secured	-	-	-
Trade Receivables considered good - Unsecured	28.15	351.39	1,077.74
Trade Receivable which have Significant increase in Credit Risk	7.50	26.94	47.10
Trade Receivable -credit Impaired	-	-	-
	35.65	**378.33**	**1,124.84**
Less: Provision for expected credit loss	7.50	26.94	47.10
	7.50	**26.94**	**47.10**
Total	**28.15**	**351.39**	**1,077.74**

Notes:

a) **Trade Receivable ageing schedule as at 31 March'22**

(Rupees in lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
-Considered good	21.16	6.99	-	-	-	-	28.15
-Which have significant increase in credit risk	-	-	-	7.50	-	-	7.50
-Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
-Considered good	-	-	-	-	-	-	-
-Which have significant increase in credit risk	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Total	**21.16**	**6.99**	-	**7.50**	-	-	**35.65**
Less: Allowance for doubtful debts (expected credit loss allowance)	-	-	-	(7.50)	-	-	(7.50)
Total	**21.16**	**6.99**	-	-	-	-	**28.15**

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b) Trade Receivable ageing schedule as at 31 March'21

(Rupees in lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
-Considered good	111.41	208.97	11.53	19.48	-	-	351.39
-Which have significant increase in credit risk	-	-	7.45	19.49	-		26.94
-Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
-Considered good	-	-	-	-	-	-	-
-Which have significant increase in credit risk	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Total	**111.41**	**208.97**	**18.98**	**38.98**	-	-	**378.33**
Less: Allowance for doubtful debts (expected credit loss allowance)			(7.45)	(19.49)	-	-	(26.94)
Total	**111.41**	**208.97**	**11.53**	**19.48**	-	-	**351.39**

c) Trade Receivable ageing schedule as at 31 March'20

(Rupees in lakhs)

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
-Considered good	84.93	810.57	172.43	0.51	2.14	7.16	1,077.74
-Which have significant increase in credit risk	-	-	37.29	0.51	2.14	7.16	47.10
-Credit impaired					-		
Disputed Trade Receivables							
-Considered good					-		
-Which have significant increase in credit risk					-		
-Credit impaired					-		
Total	**84.93**	**810.57**	**209.72**	**1.02**	**4.28**	**14.32**	**1,124.84**
Less: Allowance for doubtful debts (expected credit loss allowance)	-	-	(37.29)	(0.51)	(2.14)	(7.16)	(47.10)
Total	**84.93**	**810.57**	**172.43**	**0.51**	**2.14**	**7.16**	**1,077.74**

d)

Movement in the Doubtful debts / Expected Credit loss Allowance	**As at 31 March'22**	**As at 31 March'21**	**As at 1 April '20**
Balance as the beginning of the year	26.94	47.10	29.11
Movement in expected credit loss allowance	(19.44)	(20.16)	17.99
Balance at the end of the year	**7.50**	**26.94**	**47.10**

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11 CURRENT ASSETS - CASH AND CASH EQUIVALENTS (Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Balances with banks in current accounts	17.51	33.77	76.25
Cash on hand	0.01	0.13	0.37
Total	17.52	33.90	76.62

12 CURRENT ASSETS - LOANS (Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Loan to others considered good - Unsecured	225.37	-	307.97
Loan to others which have Significant increase in Credit Risk	-	-	-
Loan to others -credit Impaired	-	-	-
Loan to Related Parties considered good - Unsecured	2,437.84	2,461.49	1,597.50
Total	2,663.21	2,461.49	1,905.47

13 CURRENT ASSETS - OTHER BANK BALANCES (Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Deposits with banks to the extent held as margin money	103.37	265.83	284.62
Interest Accrued on Fixed Deposit	-	9.26	4.72
Total	103.37	275.09	289.34

14 OTHER CURRENT FINANCIAL ASSETS (Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Unsecured, considered good unless otherwise stated			
Financial assets carried at amortised cost			
Security Deposits	81.28	116.15	137.19
Financial Guarantee	309.98	306.28	363.19
Total	391.26	422.43	500.38

15 OTHER CURRENT ASSETS (Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
- Advances to Suppliers	23.26	19.76	30.86
- Advances to Employees	81.84	107.24	46.88
-Others	0.03	0.03	0.03
Others			
- Other receivable	110.24	391.13	35.66
- Prepaid expenses	5.28	8.36	44.85
-Interest Receivable	20.79	-	0.11
- TDS Receivable	-	-	1.19
- Balance with Government Authority	15.55	21.30	876.42
Total	256.99	547.82	1,036.00

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ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rupees in lakhs)

16 [illegible]

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
i) Authorised Share Capital			
Equity Shares			
30,75,00,000 (As at March 31, 2021: 30,75,00,000 , As at April 1, 2020: 30,75,00,000) Equity shares of Rupees 2 each	6,150.00	6,150.00	6,150.00
Preference Shares			
35,50,000 (As at March 31, 2021: 35,50,000, As at April 1, 2020: 35,50,000) Preference Shares of Rupees 10 each	355.00	355.00	355.00
Total	**6,505.00**	**6,505.00**	**6,505.00**
ii) Issued, Subscribed & Fully Paid up	-	-	-
Total	-	-	-
iii) Share Capital Suspense Account [In consequence to Demerger of Arshiya Limited (AL) Domestic Business Undertaking, 13,11,37,958 Equity shares of Rs. 2 each fully paid up is to be issued to shareholders of AL as consideration w.e.f. appointed date i.e. April 1st, 2019. Pending issue and allotment of equity shares, the face value of shares to be allotted is shown against "Share Suspense Account"	2,622.76	2,622.76	2,622.76
Total	**2,622.76**	**2,622.76**	**2,622.76**

iv) 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 of Rupees 10 each		
At April 1, 2020	1,20,000	12.00
Issued during the year	-	-
At March 31, 2021	1,20,000	12.00
Issued during the year	-	-
At March 31, 2022	**1,20,000**	**12.00**

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rupees 2 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 1,200.00 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 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 6th year from the date of allotment of OCRPS - Series I.

iv. Details of shares to be alloted more than 5% equity shares in the company on Record date*

Name of the shareholder	As at March 4, 2022	
	Number of shares to be alloted	% holding
Equity shares of Rupees 2 each fully paid		
Promoter		
Mr. Ajay S. Mittal	1,91,78,219	14.62%
Mrs. Archana A Mittal	3,75,98,639	28.67%
Edelweiss Asset Reconstruction Company Limited (On behalf of various trusts)	3,00,29,905	22.90%

v. Shareholding of promoters proposed to be alloted on Record date

As at 31st March 2022

Category	Promoter's name	No. of shares at the end of the year	% of total shares
Promoter	Mr. Ajay S. Mittal	1,91,78,219	14.62%
Promoter	Mrs. Archana A Mittal	3,75,98,639	28.67%

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021		As at April 1, 2020	
	Number	% holding	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	1,20,000	100.00

Note:- Erstwhile Arshiya Industrial & Distribution Hub Limited (AIDHL) which merged into Company 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.

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Arshiya Rail Infrastructure Limited Mumbai

ARSHIYA RAIL INFRASTRUCTURE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rupees in lakhs)

17 **OTHER EQUITY**

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Retained Earnings	(65,276.89)	(44,869.77)	(28,601.98)
Capital Reserve	30,682.15	30,682.15	30,682.15
Equity Component of Zero% Optionally Convertible Redeemable Preference shares (OCRPS)	519.09	519.09	519.09
Total	**(34,075.65)**	**(13,668.53)**	**2,599.26**

(a) Retained Earnings

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Opening balance	(44,869.77)	(28,601.98)	
Add/(Less):			
Net Profit/(Loss) for the year	(20,409.72)	(16,277.48)	
Other comprehensive income	2.60	9.69	
Other adjustments	-	-	
Closing balance	**(65,276.89)**	**(44,869.77)**	**(28,601.98)**

(b) Capital Reserve

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Opening balance	30,682.15	30,682.15	
Add/(Less): Transaction during the year	-	-	
Closing balance	**30,682.15**	**30,682.15**	**30,682.15**

(c) Nature & purpose of Reserves

Retained Earnings :

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

Capital Reserve

The surplus arising on recording of assets & liabilities and nullification of inter company balances as per scheme of acquisition of Domestic undertaking over the shares cancelled and consideration recorded is transferred to Capital Reserve.

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.

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ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

18 NON CURRENT BORROWINGS (Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Secured			
-Term Loans			
From Others (refer note 18.1 & 18.2 below)	-	42,224.19	46,577.11
Liability Component of Compound Financial Instruments	1,071.43	956.63	854.14
Total	**1,071.43**	**43,180.82**	**47,431.25**

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

- Rupee term loans (including current maturity) of Rupees 34,024.82 lakhs (March 31, 2021 : Rupees 33,917.72 lakhs and March 31, 2020 : Rupees 33,787.05 lakhs) are secured by

(1) Details of Security

i. First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of the Rail Division both present and future on pari passu basis.

ii. Second charge by way of Hypothecation of the entire current assets of the Rail Division on pari passu basis.
iii. Personal guarantees from Promoters of erstwhile Holding Company.
iv. Corporate Guarantee from erstwhile Holding Company.
v. Pledge of 100% equity shares of ARIL i.e. pre merger of AIDHL & ATHL with the company scheme shareholding held by Promoters.

(2) Terms of Interest rate:
- on Term Loans from others 10% p.a. compounded monthly, payable half yearly.

(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, 2022	
	Amount	Period of Default*
Current maturity of Rupee Term loans -Others	1,744.63	2019-20
	6,139.19	2020-21
	2,276.52	2021-22
	23,954.16	*
Total	**34,114.50**	

* During the year, all the loans along with interest & other dues are recalled by the lenders.

(5) The amortised cost disclosed above is net off of incidental cost of borrowings aggregating to Rupees 74.21 lakhs for March 31, 2022 Rupees 196.77 lakhs for March 31, 2021 and Rupees 327.44 lakhs for April 1, 2020.

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

- Rupee term loans (including current maturity) of Rupees 26,598.44 lakhs (March 31, 2021 : Rupees 26,596.55 lakhs and April 1, 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 erstwhile Holding Company.
iv. Corporate Guarantee from erstwhile Holding Company.
v. Pledge of 100% equity shares of AIDHL i.e. pre merger of AIDHL & ATHL with the company scheme shareholding held by Promoters.

(2) Terms of Interest rate:
- on Term Loans from others 10% p.a. compounded monthly, payable half yearly.

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(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, 2022	
	Amount	Period of Default*
Current maturity of Rupee Term loans -Others	1,885.69	2019-20
	4,034.74	2020-21
	2,209.30	2021-22
	18,470.27	*
Total	26,600.00	

* During the year, all the loans along with interest & other dues are recalled by the lenders.

(5) The amortised cost disclosed above is net off of incidental cost of borrowings aggregating to Rupees 1.56 lakhs for March 31, 2022 and Rupees 3.45 lakhs for March 31, 2021 and Rupees 5.68 lakhs for April 1, 2020.

19 NON CURRENT LEASE LIABILITIES (Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Lease liability (Refer Note 38)	-	46.97	254.64
Total	-	46.97	254.64

20 OTHER NON CURRENT FINANCIAL LIABILITIES (Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Financial Liabilities at amortised cost			
Advance warehouse rent	-	-	1.98
Security Deposit	-	-	33.53
Total	-	-	35.51

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21 NON CURRENT LIABILITIES - PROVISIONS (Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Provision for employee benefits			
Gratuity (Refer Note 39)	-	10.06	43.22
Leave encashment (Refer Note 39)	16.74	28.36	38.21
Total	**16.74**	**38.42**	**81.43**

22 OTHER NON CURRENT LIABILITIES (Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Non Current			
Government Grants (Refer note no. 27.1)	62.74	97.82	1,266.83
Total	**62.74**	**97.82**	**1,266.83**

23 CURRENT BORROWINGS (Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Secured			
(a) Loan from other party (Refer note 23.1 below)	3,000.00	3,000.00	3,000.00
(b) Current maturities of long term borrowings			
Term Loans from banks (Refer Note 23.2)*	4,219.28	4,219.28	6,910.60
Term Loans from others (Refer Note 18.1 & 18.2 & 23.3)	60,622.99	18,290.08	16,764.27
Unsecured			
(c) Loans from Related parties (Refer note 23.4 below & 43)	4.35	4.35	3.70
(d) Bill discounting (Refer note 23.5 below)	-	-	75.79
Total	**67,846.62**	**25,513.71**	**26,754.36**

* Include Loan aggregating to Rupees 4,219.28 lakhs ((March 31, 2021: Rupees 4,219.28 lakhs and March 31, 2020: Rupees 6,910.60 lakhs) recalled by banks.

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

Term loans of Rupees 3,000 lakhs (March 31, 2021 : Rupees 3,000 lakhs and April 1, 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 erstwhile Parent Company
iii) Corporate Guarantee of erstwhile 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.

23.2 RAIL Division- Rupee term loan from Banks :-

- Rupee term loans of Rupees 4,219.28 lakhs (March 31, 2021 : Rupees 4,219.28 lakhs and April 1, 2020 : Rupees 6,910.60 lakhs) are secured by

(1) Details of Security

i. First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of the Rail Division both present and future on pari passu basis.
ii. Second charge by way of Hypothecation of the entire current assets of the Rail Division on pari passu basis.
iii. Personal guarantees from Promoters of erstwhile Holding Company.
iv. Corporate Guarantee from erstwhile Holding Company/ Promoter.
v. Pledge of 100% equity shares of ARIL i.e. i.e. pre merger of AIDHL & ATHL with the company scheme shareholding held by Promoters.

(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,[illegible]5.28
2018-2019*	1,834.00
Total	**4,219.28**

* Refer note no. 52

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

(Rupees in lakhs)

Particulars	March 31, 2022 Period of Default	March 31, 2022 Banks
Current maturity of Rupee Term loans	2015-2016	2,385.28
	2018-2019	1,834.00
Total		**4,219.28**

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23.3 RAIL Division- Rupee term loan from Others :-

- Rupee term loans of Rupees NIL (March 31, 2021 : Rupees NIL and April 1, 2020 : Rupees 2,960.00) 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 erstwhile Holding Company.
v. Corporate Guarantee from erstwhile 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.

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

23.5 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

24 CURRENT LIABILITIES- TRADE PAYABLES **(Rupees in lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Total outstanding dues of Micro and Small Enterprises (Refer note 41 & 55)	72.83	62.47	44.20
Total outstanding dues of creditors Other than Micro and Small Enterprises (Refer Note 55)*	605.37	900.09	1,421.09
Total	678.20	962.56	1,465.29

24.1 Trade Payable ageing schedule as at 31 March'22 **(Rupees in lakhs)**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade Payable						
-dues of micro and small enterprises	16.41	42.97	13.45	-	-	72.83
-Others	101.42	52.48	167.79	98.74	184.94	605.37
Disputed Trade Payable						
-dues of micro and small enterprises	-	-	-	-	-	-
-Others	-	-	-	-	-	-
Total	**117.83**	**95.45**	**181.24**	**98.74**	**184.94**	**678.20**

24.2 Trade Payable ageing schedule as at 31 March'21 **(Rupees in lakhs)**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade Payable						
-dues of micro and small enterprises	22.81	39.66	-	-	-	62.47
-Others	64.95	409.10	240.34	1.05	184.65	900.09
Disputed Trade Payable						
-dues of micro and small enterprises	-	-	-	-	-	-
-Others	-	-	-	-	-	-
Total	**87.76**	**448.76**	**240.34**	**1.05**	**184.65**	**962.56**

24.3 Trade Payable ageing schedule as at 31 March'20 **(Rupees in lakhs)**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade Payable						
-dues of micro and small enterprises	18.27	25.70	0.23	-	-	44.20
-Others	141.78	981.02	111.00	167.40	19.89	1,421.09
Disputed Trade Payable						
-dues of micro and small enterprises	-	-	-	-	-	-
-Others	-	-	-	-	-	-
Total	**160.05**	**1,006.72**	**111.23**	**167.40**	**19.89**	**1,465.29**

25 CURRENT LEASE LIABILITIES **(Rupees in lakhs)**

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Lease Liability (Refer Note 38)	14.04	121.59	363.94
Total	14.04	121.59	363.94

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26 **OTHER CURRENT FINANCIAL LIABILITIES**

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Financial Liabilities at amortised cost			
Interest accrued and due on borrowings*	51,579.74	37,851.58	32,192.43
Interest payable on short term loan	0.64	0.09	-
Advance warehouse rent	-	1.98	9.19
Security Deposit	166.50	118.17	59.14
Others			
Project Creditors(Refer Note 55)	1,111.73	1,111.73	1,111.74
Employee's Dues **	229.90	161.40	171.36
Payable for Expenses	669.49	711.08	464.85
Other Payables	-	-	21.86
Total	53,758.00	39,956.03	34,030.57

*Include interest accrued and due on Term Loans aggregating to Rupees 51,579.74 lakhs (March 31, 2021 Rupees 37,851.58 lakhs and April 1, 2020: Rupees 32,192.43 lakhs) recalled by banks and others.

**Include Full and Final settlement of Rupees 105.55 lakhs (March 31, 2021 62.39 lakhs and April 1, 2020 Rupees 39.01 lakhs)

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

(Rupees in lakhs)

Particulars			March 31, 2022		
			Period of Default	Banks	Others
Interest accrued & due on borrowing			2013-14	965.05	-
			2014-15	740.00	-
			2015-16	1,035.94	-
			2016-17	1,287.23	-
			2017-18	1,512.65	252.91
			2018-19	2,423.96	4,700.96
			2019-20	2,190.26	13,694.06
			2020-21	2,591.68	5,393.96
			2021-22	2,800.78	11,990.30
Total				15,547.55	36,032.19

27 **OTHER CURRENT LIABILITIES**

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Current			
Unearned Revenue	-	-	42.96
Advance received from Customers	-	68.33	20.04
Government Grants (Refer note no. 27.1)	35.07	35.07	365.49
Others			
Statutory Liabilities*	889.64	858.69	1,225.18
Interest on Delayed payment of Statutory dues	856.28	722.31	1,132.37
Total	1,780.99	1,684.40	2,786.04

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

27.1 **GOVERNMENT GRANTS**

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Opening balance	132.89	1,632.32	1,997.81
Released to statement of profit and loss	(35.08)	(1,499.43)	(365.49)
Closing balance	97.81	132.89	1,632.32
Current	35.07	35.07	365.49
Non Current	62.74	97.82	1,266.83

28 **CURRENT LIABILITIES - PROVISIONS**

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Current			
Provision for employee benefits			
Leave encashment (Refer Note 39)	4.79	7.43	12.52
Total	4.79	7.43	12.52

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29 REVENUE FROM OPERATIONS

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rail Freight Income	-	5,994.00
Road Freight Income	-	570.95
Handling Income	30.20	347.51
Terminal Income	279.35	301.63
Rent Income	468.43	518.28
Other operating Income	50.15	53.24
Total	**828.13**	**7,785.61**

30 OTHER INCOME

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on Financial assets carried at amortised cost		
Unwinding of interest on Security deposit	0.14	1.98
Other Interest income		
Interest on Bank fixed deposits	7.94	17.44
Interest income on income tax refund	6.90	13.54
Interest income on service tax	-	0.62
Interest on Loan to others	23.11	-
Interest on others	-	7.99
Other income		
Government Grants	35.07	1,499.43
Gain on modification of Lease liability	4.78	24.09
Sundry Balance/ Excess provision Written Back	258.36	23.76
Excess provision Written Back-ECL	26.64	18.58
Gain on sale of Fixed Asset	-	1,907.20
Rent concession	4.38	27.49
Miscellaneous Income	50.05	543.95
Total	**417.37**	**4,086.07**

31 COST OF OPERATIONS

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rail Freight Expenses	-	4,581.54
Road Freight Expenses	0.41	669.14
Handling Expenses	-	193.32
Terminal Expenses	-	281.33
Other operating expenses	47.56	142.77
Total	**47.97**	**5,868.10**

32 EMPLOYEE BENEFITS EXPENSE

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	585.54	889.14
Contribution to provident and other funds	[illegible].98	36.83
Share based payments	-	108.95
Staff welfare expenses	10.14	18.44
Total	**617.66**	**1,053.36**

33 FINANCE COST

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on Financial liabilities measured at amortised cost		
Interest expense on borrowings	15,155.16	14,964.07
Interest expense on Security Deposit	2.28	9.99
Interest expense others		
Interest on Delayed Payment of Statutory Dues	129.12	127.29
Interest on MSME vendors	4.94	1.10
Other borrowing costs		
Guarantee Commission Expense	306.28	363.27
Interest on Lease Liability	4.88	43.86
Bill Discounting charges	-	2.14
Finance cost on derecognition of guarantee commission	-	18.97
Finance cost on Amortisation of Liability Component	114.80	102.50
Bank processing charges	-	9.00
Bank charges	0.95	6.39
Total	**15,718.41**	**15,648.58**

34 DEPRECIATION AND AMORTISATION EXPENSES

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on tangible assets	3,619.78	4,202.05
Amortisation on intangible assets	327.89	349.88
Depreciation on right to use assets	95.19	232.88
Total	**4,042.86**	**4,784.81**

35 OTHER EXPENSES

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Repairs and maintenance		
- Building	5.68	10.78
- Others	68.36	95.13
Advertisement	4.69	5.65
Payments to Auditors (Refer note below)	15.25	16.00
Electricity charges	61.65	60.81
Insurance	8.51	15.31
Legal and professional fees	108.59	180.48
Rates and taxes	3.97	35.11
Rent	102.27	85.57
Printing and Stationary	6.09	7.24
Office Expenses	9.44	16.80
Security charges	112.83	118.22
Telephone and internet expenses	11.77	13.34
Travelling & conveyance expenses	22.10	39.91
Vehicle Expenses	27.76	21.40
Allowance for doubtful debts and advances	7.20	-
Miscellaneous expenses	121.96	72.56
Loss on sale of intangible assets	530.20	-
Total	**1,228.32**	**794.31**

(a) Details of Payments to auditors

(Rupees in lakhs)

[illegible]	[illegible]	[illegible]
As Statutory Auditor		
Audit Fee	15.25	16.00
Total	**15.25**	**16.00**

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36 Earnings per share (Basic and Diluted)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit available to equity shareholders		
Profit/(Loss) after tax (A) (Rupees in Lakhs)	(20,409.72)	(16,277.48)
Add: Interest adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	114.80	102.50
Total Profit/ (Loss) for the year for diluted EPS (Rupees in Lakhs)	(20,294.92)	(16,174.98)
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)**	131,137,958	131,137,958
Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	120,000	120,000
Total Weighted average number of equity shares /OCRPS (Diluted) (C)	131,257,958	131,257,958
Nominal Value of an equity share (Rupees)	10	10
Basic & Diluted earnings per share(A/B) (Rupees)	(15.56)	(12.41)

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

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

I) Capital Commitments

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended April 1, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid)	1,528.14	1,568.14	1,144.44

Cash outflow expected on execution on such capital contracts

(II) Contingent liabilities:

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended April 1, 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	1,000.00
(c) Bank Guarantee	100.00	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	23.39
(f) Service tax Demand	-	-	51.55
(g) Collector of stamps	858.04	-	-
No Cash outflow is expected in near future			

38 LEASES

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

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended April 1, 2020
Opening Balance	142.39	568.90	-
Additions recognised on implementation of Ind AS 116 (transition date)	-	-	874.04
Modifications during the year	(36.22)	(193.63)	-
Less: Depreciation charge for the year	(95.19)	(232.88)	(305.14)
Closing Balance	**10.98**	**142.39**	**568.90**

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(ii) Movment of Lease liabilities

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended April 1, 2020
Opening Balance	168.56	618.58	-
Additions during the year	-	-	874.04
Modifications during the year	(36.22)	(193.63)	-
Add: Interest expenses on unwinding lease liabilities	4.88	43.86	96.54
Less: Gain on modification of lease liability	(4.78)	(24.09)	-
Less: Rent concession	(4.38)	(27.49)	-
Less: Payment of lease liablities	(114.02)	(248.67)	(352.00)
Closing Balance	**14.04**	**168.56**	**618.58**

(iii) Maturity analysis of lease liabilities on undiscounted basis and breakup of lease liabilities included in the Balance Sheet

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended April 1, 2020
Future Non-Cancellable minimum lease commitments			
Within one year	14.04	151.67	450.02
More than one year but not less than five years	-	16.89	168.56
More than five years	-	-	-
Total undiscounted lease liabilities	**14.04**	**168.56**	**618.58**
Lease liabilities included in the Balance sheet			
Current Lease liabilities	14.04	121.59	363.94
Non-current Lease liabilities	-	46.97	254.64
Total	**14.04**	**168.56**	**618.58**

39 EMPLOYEE BENEFIT

39.1 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:

(Rupees in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended April 1, 2020
Employer's Contribution to Provident Fund	3.99	11.25	8.62
Employer's Contribution to Pension Scheme	9.07	25.58	19.56
Employer's Contribution to ESIC	0.08	0.13	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

(Rupees in lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Provisions for Leave encashment			
Current	4.79	7.43	12.52
Non-Current	16.74	28.36	38.21
Total Employee Benefit Obligation	21.53	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 sepearately to build up to final obligation.

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ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	March 31, 2022	March 31, 2021
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2012-14) Ult	Indian Assured lives Mortality (2012-14) Ult
Discount rate	6.10%	5.65%
Expected return on plan assets	5.60%	5.90%
Salary Escalation Rate	5.00%	5.00%
Withdrawal Rate	20.00%	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	90.08	119.00
Interest cost	5.09	7.03
Current service cost	7.27	12.36
Benefits paid	(37.60)	(45.17)
Actuarial (gain)/loss on obligations	(2.60)	(9.69)
Acquisition adjustment	-	6.55
Liability as at the end of the year	62.24	90.08
III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	80.02	75.78
Expected return on plan assets	4.52	4.24
Actual Enterprise's Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets as at the end of the year	84.54	80.02
IV. Actual return on plan assets		
Expected return on plan assets	4.52	4.24
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	4.52	4.24
V. Liability recognised in the Balance Sheet		
Liability as at the end of the year	62.24	90.08
Fair value of plan assets as at the end of the year	84.54	80.02
Liability/ (Asset) recognised in the Balance Sheet	(22.30)	10.06
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	7.27	12.36
Interest cost	-	-
Expected return on plan assets	0.57	2.79
Net actuarial (gain)/loss to be on obligation	-	-
Expense/ (Income) recognised in Statement of Profit and Loss	7.84	15.15
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	(1.27)	(0.20)
Due to Change in demographic assumption	0.07	-
Due to Change in experience assumption	(1.40)	(9.49)
Expected return on plan assets	-	-
Total remeasurement recognised in OCI	(2.60)	(9.69)
IX. Balance Sheet reconciliation		
Opening net liability	10.06	43.22
Expenses recognised in Profit & Loss	7.84	15.15
Actual Employer Contribution	(37.60)	(45.17)
Total Remeasurement recognised in OCI	(2.60)	(9.69)
Acquisition adjustment	-	6.55
Closing net liability	(22.30)	10.06

(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.

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39.2 **Sensitivity analysis:**

Particulars	Changes in assumptions	Effect on Gratuity obligation (Rupees in lakhs)
For the year ended 31st March, 2022		
Salary growth rate	+0.50%	63.60
	-0.50%	60.92
Discount rate	+0.50%	60.94
	-0.50%	63.59
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 pratice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity anaysis, 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, as increase in the salary of the plan participants will increase the plan's liability.

(D) Liquidity risk - This is the risk that the Company is not able able to meet the short - term gratuity payouts. This may rise due to non availability of enough cash / cash equivelant to meet the liabilities or holding of illiquid assets not being sold in time.

39.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 4 years (31st March, 2021 - 4 years).

(Rupees in lakhs)

Expected cash flows over the next (valued on undiscounted basis):	Amount
1st Year	13.40
2nd Year	11.46
3rd Year	9.67
4th Year	8.29
5th Year	7.01
6 to 10 year	22.73

40 Disclosure pursuant to Indain Accounting Standard 108 - Operating Segment

40.1 Primary Segment Information

The company is engaged in Private Freight Terminal (PFT) business and is having 6 looplines of Rail Terminal at Khurja which allows the company to operate PFT. 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.

40.2 Segment Revenue, results, assets and liablities

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.

40.3 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.

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40.4 Segmental information as at and for the year ended 31st March, 2022 is as follows:-

(Rupees in lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021	As at 1st April 2020
Segment Revenue			
Rail & ICD	312.13	7,230.78	
Domestic Warehouse	516.01	554.83	
Less: Inter Segment	-	-	
Total Revenue from Operations	**828.14**	**7,785.61**	
Segment Results Before Tax and Interest			
Rail & ICD	(3,713.94)	270.20	
Domestice Warehouse	(976.61)	(897.59)	
Total Segment Result	**(4,690.55)**	**(627.39)**	
Less: Unallocated Expenses net of Income	0.75	1.51	
Less: Finance Costs	15,718.41	15,648.58	
Less: Exceptional items (Net)	-	-	
Loss before tax	**(20,409.71)**	**(16,277.48)**	
Less: Tax Expenses	-	-	
Loss after tax	**(20,409.71)**	**(16,277.48)**	
Segment Assets			
Rail & ICD	53,817.32	59,494.00	77,490.45
Domestic Warehouse	37,292.29	38,601.64	40,014.65
Unallocated	2,671.05	2,468.33	2,199.28
Total	**93,780.66**	**100,563.96**	**119,704.39**
Segment Liabilities			
Rail & ICD	4,594.78	4,944.15	7,996.62
Domestic Warehouse	129.13	108.44	97.16
Unallocated	120,509.64	106,557.16	106,388.60
Total	**125,233.55**	**111,609.75**	**114,482.38**
Other Disclosures			
Capital Expenditure			
Rail & ICD	0.44	4.59	
Domestic Warehouse	-	-	
Unallocated	-	-	
Total	**0.44**	**4.59**	
Depreciation and amortisation expenses			
Rail & ICD	2,655.06	3,395.88	
Domestic Warehouse	1,387.81	1,388.93	
Unallocated	-	-	
Total	**4,042.87**	**4,784.81**	
Non-cash Expenditure			
Rail & ICD	7.20	-	
Domestic Warehouse	-	-	
Unallocated	-	-	
Total	**7.20**	-	

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

There are 4 customers (March 31, 2021 - 2 customers and March 31, 2020 - 4 customers) aggregating to Rupees 758.93 lakhs (March 31, 2021 Rupees 4,206.89 lakhs and March 31, 2020 Rupees 11,395.70 lakhs) constituting 91.50% (March 31, 2021- 54% and March 31, 2020- 78%) of Revenue.

41 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

(Rupees in lakhs)

Particulars	For the year March 31, 2022	For the year March 31, 2021	For the year April 1, 2020
(i) Principal amount remaining unpaid	72.83	62.17	44.20
(ii) Interest due thereon remaining unpaid	4.94	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)	4.94	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.	-	-	-

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42 Financial ratios

Sr. No.	Particulars	2021-22	2020-21	% Changes	Reason for deviation
1	Current Ratio	0.03	0.06	-53%	Due to interest accrue and loan of others recalled & shifted to current liability.
2	Debt- Equity Ratio	(3.83)	(9.65)	-60%	Due to further decrease in Net worth and increase in interest accrued.
3	Debt service coverage Ratio	(0.01)	0.19	-104%	Due to loss increase and earning for interest payment reduced.
4	Return on equity Ratio (%)	96%	559%	83%	Due to increase in loss and decline in net worth
5	Trade receivable turnover Ratio	4.36	10.90	-60%	Due to reduction in revenue and reduction in debtors
6	Trade payable turnover Ratio	0.06	4.83	-99%	Due to decrease in expense and trade payable
7	Net Capital turnover Ratio	(0.01)	(0.12)	-94%	Due to reduction in revenue from operations
8	Net profit (%)	-2465%	-209%	1079%	Due to increase in loss but reduction in operations
9	Return on Capital Employed (%)	-13%	-1%	1051%	Due to further decrease in Net worth and increase in loss..
10	Inventory Turnover Ratio	-	-	-	
11	Return on Investment	-	-	-	

43.01 Formula for computation of ratios are as follows:

Sr. No.	Ratios	Numerator	Denominator
1	Current Ratio	Current assets	Current liabilities
2	Debt- Equity Ratio	Total Debts + interest accrued	Total Equity
3	Return on equity Ratio (%)	Profit after Tax	Average Total Equity ((Opening Equity Share capital + Opening Other equity + Closing Equity Share Capital + Closing Other Equity)/2
4	Trade receivable turnover Ratio	Revenue from operations	Average trade receivable (Opening balance + closing balance) /2
5	Trade payable turnover Ratio	Cost of Services & Other Expenses	Average trade payables (Opening balance + closing balance) /2
6	Net Capital turnover Ratio	Revenue from operations	Working Capital (Current assets - Current liabilities)
7	Net profit (%)	Loss after tax	Revenue from operations
8	Return on Capital Employed (%)	Earning before interest and taxes	Total Equity + Total Debts
9	Debt Service Coverage Ratio	Earnings available for debt service (Net profit after tax expense + depreciation & amortization + Finance cost + Non cash operating items + other adjustment)	Finance cost & lease payment + principle repayment of long term borrowings during the year
10	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory (opening balance+ closing balance)/2
11	Return on Investment	Interest Income on fixed deposits + income of investment	Non current investments + Fixed deposits with bank

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ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

43 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	Mr. Ajay S. Mittal - Director Mr. Navnit Choudhary - Director Mr. Sarvothama Shetty - Chief Executive Officer (w.e.f. June 27, 2020) Mr. Lalan Thakur - Chief Financial Officer (w.e.f. August 13, 2021) 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)		
2	AMD Business Support Services Private Limited (w.e.f. 13th August, 2021)	Subsidiary Company	100%	India
3	Arshiya Limited (Erstwhile Holding company) Arshiya Northern Projects Private Limited Arshiya Northern FTWZ Limited Arshiya Logistics Services Limited Rudradev Properties Private Limited	Enterprise owned or significantly influenced by key management personnel or their relatives		
4	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, 2022	March 31, 2021	April 1, 2020
Arshiya Limited	Loans taken	(460.10)	(398.52)	(1,053.04)
	Loan repayments**	553.14	1,282.40	2,769.43
	Allocation of cost and common expenses by Holding Company*	(122.44)	(145.59)	(267.01)
	Financial Guarantees	(306.28)	(363.27)	(381.28)
	Share application money received	-	-	(1,950.00)
	Share application money refund	-	-	1,950.00
Rudradev Properties Private Limited	Loans taken	-	(100.00)	-
	Loan repayments	-	95.65	-
	Interest expense	(0.61)	(4.80)	-
	Interest paid	-	4.35	-
Arshiya Limited	Lease rent income	5.00	-	-
Arshiya Northern Projects Private Limited	Loan repayments	-	(3.70)	(1.30)
Arshiya Northern FTWZ Limited	Reimbursement of Expenses	(7.55)	(4.65)	-
Arshiya Northern FTWZ Limited	Loan Given	23.12	-	-
	Loan repayments	(9.82)	-	-
Arshiya Limited	Assignment of Loan given **	2,432.09	-	-
Arshiya Limited	Investment in subsidiary purchased from	1.00	-	-
Ananya Mittal	Salary Paid	24.50	24.30	27.06

* During the year, Arshiya Limited (AL) erstwhile holding company has allocated certain common cost and expenses incurred by it, to the company aggregating to Rupees 122.44 lakhs (31st March, 2021 - Rupees 145.59 lakhs and 31st March, 2020 - Rupees 267.01 lakhs) based on AL's estimates of such cost and expenses attributable to the company. Hence, Employee benefit expenses (Refer Note No. 33) and certain expenses stated under other expenses (Refer Note No. 36) are presented as inclusive of such allocation of certain common costs and expenses.

** During the year ended 31st March, 2022, loan given to Arshiya Limited is assigned to AMD Business Support Services Private Limited which is 100% wholly own subsidiary of the company through assignment agreement.

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(iii) Closing Balances

(Rupees in lakhs)

Name	March 31, 2022	March 31, 2021	April 1, 2020
Loans from related parties			
Arshiya Northern Projects Private Limited	-	-	3.70
Rudradev Properties Private Limited	4.99	4.44	-
Loan to related parties			
Arshiya Limited	-	2,461.49	1,597.50
AMD Business Support Services Private Limited	2,432.09	-	-
Arshiya Northern FTWZ Limited	5.75	-	-
Financial Guarantee			
Arshiya Limited	309.98	616.26	998.49
Personal Guarantee (Liability Jointly & Severally) taken			
Ajay S Mittal	93,471.00	93,471.00	96,471.00
Archana A Mittal	93,471.00	93,471.00	96,471.00
Corporate Guarantee taken			
Arshiya Limited	75,436.69	75,436.69	78,436.69
Corporate Guarantee given			
Arshiya Limited	600.00	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, 2022	March 31, 2021	April 1, 2020
Short term employee benefits	0.77	5.93	6.43
Total	0.77	5.93	6.43

Mr. Lalan Thakur - Chief Financial Officer (w.e.f. August 13, 2021)

(Rupees in lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Short term employee benefits	9.56	-	-
Total	9.56	-	-

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44 FAIR VALUE MEASUREMENTS

(i) Financial Instruments by Category **(Rupees in lakhs)**

Particulars	Carrying Amount			Fair Value		
	March 31, 2022	March 31, 2021	April 1, 2020	March 31, 2022	March 31, 2021	April 1, 2020
FINANCIAL ASSETS						
Amortised cost						
Trade Receivables	28.15	351.39	1,077.74	28.15	351.39	1,077.74
Cash and Cash Equivalents	17.52	33.90	76.62	17.52	33.90	76.62
Loans	2,663.21	2,461.49	1,905.47	2,663.21	2,461.49	1,905.47
Security Deposits	81.28	116.15	144.96	81.28	116.15	144.96
Other Bank Balances	103.37	311.78	296.19	103.37	311.78	296.19
Financial Guarantee	309.98	616.26	998.49	309.98	616.26	998.49
Total	**3,203.51**	**3,890.97**	**4,499.47**	**3,203.51**	**3,890.97**	**4,499.47**
FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	68,918.05	68,694.53	74,185.61	68,918.05	68,694.53	74,185.61
Trade Payables	678.21	962.56	1,465.29	678.21	962.56	1,465.29
Other financial liabilities	53,758.00	39,956.03	34,066.08	53,758.00	39,956.03	34,066.08
Lease Liabilities	14.04	168.56	618.57	14.04	168.56	618.57
Total	**123,368.29**	**109,781.68**	**110,335.56**	**123,368.29**	**109,781.68**	**110,335.56**

(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:

(a) 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.

(b) 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.

(c) 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 determing fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard.

(a) **Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices.

(b) **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.

(c) **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.

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45 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 a corporate finance team 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.

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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, 2022			
Borrowings	67,938.12	-	-
OCRPS (Debt and Equity component)	1,200.00	-	-
Trade payables	678.21	-	-
Other financial liabilities	53,758.00	-	-
Lease liability	14.04	-	-
Total Financial liabilities	**123,588.36**	**-**	**-**
March 31, 2021			
Borrowings	25,513.71	41,090.58	-
OCRPS (Debt and Equity component)	-	1,200.00	-
Trade payables	962.56	-	-
Other financial liabilities	39,960.30	-	-
Lease liability	121.59	46.97	
Total Financial liabilities	**66,558.16**	**42,337.55**	**-**
April 1, 2020			
Borrowings	26,754.36	46,910.23	-
OCRPS (Debt and Equity component)	-	-	1,200.00
Trade payables	1,465.29	-	-
Other financial liabilities	34,042.85	-	-
Lease liability	363.94	254.64	
Total Financial liabilities	**62,626.43**	**47,164.87**	**1,200.00**

(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, 2022 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:-

(Rupees in lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Variable rate borrowings	4,219.28	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	Impact on profit before tax		
	March 31, 2022	March 31, 2021	April 1, 2020
Interest sensitivity			
50 bps increase the profit before tax by*	(21.10)	(21.10)	(34.55)
50 bps decrease the profit before tax by*	21.10	21.10	34.55
* Holding all other variable constant			

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46 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 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.

(Rupees in lakhs)

Particulars	March 31, 2022	March 31, 2021	April 1, 2020
Borrowings	68,918.05	68,694.53	74,185.61
Other Financial Liabilities (interest accrued)	51,580.39	37,851.67	32,192.43
Total Debt	**120,498.43**	**106,546.20**	**106,378.04**
Equity	2,622.76	2,622.76	2,622.76
Other equity	(34,075.65)	(13,668.53)	2,599.26
Total Equity	**(31,452.89)**	**(11,045.77)**	**5,222.02**
Total debt to equity ratio (Gearing ratio)	**(3.83)**	**(9.65)**	**20.37**

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:

(a) **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.

(b) **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.

(c) **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.

(e) **Assignment** - assign or transfer of any of its right and obligations to any third party.

(f) **Related Party Transactions** - enter into any related party transactions for an amount exceeding Rs. 10 lakhs (Rupees Ten Lakhs only) per month, subject to business structure as explained to and agreed by the Lender.

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.

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47 Taxation

i) **Tax Reconciliation**

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Reconciliation of tax expense		
Loss before tax	(20,409.72)	(16,277.48)
Enacted income tax rate (%) applicable to the Company #	26%	26%
Tax expenses calculated at enacted income tax rate	(5,306.53)	(4,232.14)
Related to Property plant & equipment	415.71	504.00
Effect of Expenses that are not deductible in determining taxable profit	4,227.95	3,632.84
Effect of Incomes that are not allowable in determining taxable profit	(317.63)	(500.70)
Tax Losses	980.49	596.01

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	-		2,133.42
2013-2014	-		3,039.67
2014-2015	19,833.51	2022-2023	12,483.27
2015-2016	828.31	2023-2024	10,794.45
2016-2017	2,689.48	2024-2025	8,100.32
2017-2018	23,529.43	2025-2026	7,866.82
2018-2019	-	2026-2027	6,894.83
2019-2020	-	2027-2028	5,865.90
2020-2021	29.82	2028-2029	5,319.96
2021-2022	1,397.32	2029-2030	2,846.35
2022-2023	462.10	2030-2031	2,443.98
Total	**48,769.97**		**67,788.97**

Assessment Year	Long term Capital Loss	Available for utilisation till Assessment Year
2016-17	369.21	2024-2025
Total	**369.21**	

Unused deferred tax assets as at March 31, 2022 Rupees (29,345.25) Lakhs (March 31, 2021 - Rupees (27,565.16) Lakhs, April 1, 2020 - Rupees (27,098.63) 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, 2022	As at March 31, 2021	As at April 1, 2020
Property plant equipment	7,437.24	7,671.16	8,265.85
Unabsorbed depreciation	(18,858.89)	(18,024.85)	(18,814.72)
Expense allowable on payments under section 43B and 40(a)(ia)	(4,216.84)	(4,163.00)	(3,385.57)
Unabsorbed loss	(13,649.98)	(13,132.68)	(13,521.42)
Financial Instruments	(56.78)	84.21	357.23
Total Deferred Tax Assets	**(29,345.25)**	**(27,565.16)**	**(27,098.63)**

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48 Preparation of financial statements on " Going Concern" basis

The company has incurred net loss of Rupees 20,409.72 Lakhs during the year ended March 31, 2022 and as of that date, the company's current liabilities exceeded by its current assets by Rupees (1,20,622.14) 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. The commencement of work on the proposed Jewar Airport which is in close proximity to Khurja will also boost 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 promising.

The Company is also working with all its lenders on re-alignment of existing debt of the Company. The Company has discussion for Settlement of Debt from major lenders to reduce debt at sustainable level. Hence the Company is optimistic that it will improve overall cash flows of the Company.

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 Focus on reduction of empty haulage / return business in different sectors to increase in revenue and margins.
iii Increased focus on Khurja as a distribution hub post GST implementation
iv Government focus on Multi-modal logistic and transport services to increase the throughput of the infrastructure already created by the company;
v Government focus on the revamping of the Railway Boards and increasing clarity on regulatory aspects to support resolution of the regulatory issues;
vi Two Dedicated Freight Corridor(s) (DFC) along the Western and Eastern part of India to support increase in the business volume.
vii 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 and accordingly the financials have been prepared on going concern basis.

49 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 in the Balance Sheet.

50 (i) 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 for the year ended 31st March 2021 amounting to Rs. 2,069.29 Lakh and for the year ended 31st March 2022 amounting to Rs. 3,080.01 Lakh . In aggregate penal interest provisions are lower by Rs. 5,831.21 Lakh till 31st March 2022.

(ii) The Company had received Settlement of Debt letter dated 4th March, 2022 (Settlement) from Edelweiss Assets Reconstruction Company Limited (EARC) with cut- off date as on 30th September, 2021. Since the Company is unable to comply with the conditions of the Settlement it has requested EARC to revise the structure of debt resolution and submitted various proposals to EARC. Pending evaluation and discussions on these proposals, EARC has revoked the Settlement. In light of the ongoing discussion with EARC the company continues to account the penal interest as earlier and no accounting effects of the said settlement of debt letter is considered necessary by the Company for the year ended 31st March, 2022.

51 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.

52 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. 12,493.43 Lakhs having consequential impact on total comprehensive income for the year ended 31st March, 2022.

53 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 during the year March 2020.The management is hopeful of completing the expected obligation within the stipulated time for balance 1 EPCG license.

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54 The Company has requested all its lenders for independent confirmation of their outstanding as on 31st March 2022 with a request to confirm their balances directly to the statutory auditors. The Company is confident that there will not be significant changes in its liabilities.

55 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.

56 i) Corporation Bank has filed a suit with Debt Recovery Tribunal, New Delhi, towards recovery of loan against the Company and Arshiya Limited (AL) as a Corporate Guarantor and two promoter directors of the AL 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. Next date is in this matter 16.09.2022

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 AL as Guarantors. The same is pending before the DRT II Delhi. The matter is sub-judice. Matter to be listed on 03.10.2022 for completion of evidence by both parties.

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.

57 i) As per Provisions of sub section 1 of Section 203 of Companies Act, 2013 (w.e.f. 1st April,2014) the company is required to appoint a Company Secretary. However, the company is in the process of identifying a suitable candidate for this role.

ii) As per Provisions of sub section 1 of Section 203 of Companies Act, 2013 (w.e.f. 1st April,2014) the company is required to appoint a Chief Financial Officer (CFO). However, the company is in the process of identifying a suitable candidate for this role.

58 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. 29

Revenue disaggregation by geography is as follows:

(Rupees in lakhs)

Geography	For the year ended 31st March 2022	For the year ended 31st March 2021
In India	828.13	7,785.61
Outside India	-	-

Revenue disaggregation by timing of revenue recognition is as follows:

(Rupees in lakhs)

Geography	For the year ended 31st March 2022	For the year ended 31st March 2021
Goods transferred at a point in time	-	-
Service transferred over time	828.13	7,785.61

59 (i) Punjab National Bank (lead Bank), on behalf of Certain Consortium Banks, has initiated debt recovery action under Section 13(2) of Securitization & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) (ACT) vide notice dated 19th October, 2015 aggregating to Rupees 58,657.51 lakhs (reduced to Rupees 29,369.94 lakhs after the Restructuring Agreement is signed with EARC on 31st March,2017). The bank has also invoked the Corporate Guarantee issued by Arshiya Limited and Personal Guarantees of Directors i.e. Mr. Ajay S. Mittal and Mrs. Archana A. Mittal. Further on 19th January 2016, the Company received a notice of Possession from the authorised officer of the bank under Power Conferred on the bank u/s 13(4) of the said Act read with Rule 8 (i) of the Rules. The said loan has been assigned by Punjab National Bank to EARC & further EARC has filed an application for withdrawal for the same.

(ii) Edelweiss Asset Reconstruction Company (EARC), has initiated action under Section 13(2) of Securitization & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) (ACT) against the borrower Arshiya Rail Infrastructure Limited invoked Corporate Guarantee provided by Arshiya Limited and personal guarantee by Mr. Ajay Mittal and Mrs. Archana Mittal. The Company received a notice of Possession of the assets mentioned in the SARFAESI Notice under power conferred from the banks mentioned in the Notice u/s 13(4) of the said Act read with Rule 8 (i) of the Rules. These notices contain higher demand of outstanding dues. Management believes that there will not be any further liabilities to pay in excess of the amount outstanding in the books of accounts.

60 The Company offers equity-based award plan to its employees through Arshiya Limited (AL), erstwhile holding company. During the previous year, AL introduced an Arshiya Limited Employee Stock Option Scheme 2019 ("ESOP"), which is approved by the shareholders of AL 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 AL.

61 The Hon'ble National Company Law Tribunal (NCLT), Mumbai by its order dated 6th December 2019 has approved Scheme of Arrangement for merger of Arshiya Industrial and Distribution Hub Limited (AIDHL) and Arshiya Transport and Handling Limited (ATHL) into the Company. Pursuant to the order the scheme has become effective on 6th January 2020 and, AIDHL and ATHL stand amalgamated with the Company from the appointed date i.e. 1st October 2015.

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62 Business Combinations

62.1 During the year ended 31st March 2022, Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) has approved the Scheme of Arrangement (Scheme) vide it's order dated 21st January 2022. The Scheme became effective from 2nd February 2022. The Appointed date of the said scheme is 1st April 2019. Pursuant to Scheme:

(i) Domestic Business of the erstwhile Parent Company i.e. Arshiya Limited ("AL") comprising of 43.23 acre of land situated at Khurja and other assets and liabilities pertaining to domestic business has been demerged from AL into Resulting company i.e. the Company. All assets and liabilities of the demerged undertakings have been recognised at their respective carrying values and the net differential amount of Rs. 7,561.85 lakh is shown under Capital Reserve.

(Rupees in lakhs)

Particulars	**As at 1st April, 2019**
Assets	
Property, Plant and Equipment	7,499.35
Trade Receivables	64.72
Total Assets (A)	**7,564.07**
Liabilities	
Other Current Liabilities	2.22
Total Liabilities (B)	**2.22**
Net assets transferred (A-B=C)	**7,561.85**

(ii) Inter-company balances (borrowing) of Rs. 16,561.21 Lakh held by AL in the company stand cancelled and adjusted in Capital Reserve.

(iii) The Company ceased to be subsidiary of AL.

(iv) 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.

(v) Accumulated balances (losses) in retained earnings of Rs. 87,898.46 Lakh as on the appointed date are utilised against the securities premium account of the Company, resulting in retained earnings reduced to NIL as on the appointed date.

(vi) The authorised share capital is reclassified from Equity shares of face value of Rs. 10 each into corresponding number of Equity shares of Face value of Rs. 2 each.

(vii) Upon the scheme becoming effective and cancellation of the shares held by AL in the Company, The Company shall debit its equity share captal account , the aggregate face value of existing equity shares held by AL, which stand cancelled hereof. In consideration of the demerger, for every 2 (two) fully paid-up equity shares of AL, the Company shall issue and allot to each member of AL as on the record date i.e. 4th March 2022, 1 (one) fully paid-up equity share of the Rs. 2/- each of the Company. These equity shares of the company are proposed to be listed, on the stock exchanges where the equity shares of the erstwhile Parent Company are listed, on receipt of regulatory approvals.

(viii) Reconciliation of securities Premium and Retained Earnings as at 1st April, 2019:

(Rupees in lakhs)

Particulars	**Securities Premium Account**	**Retained Earnings**	**Capital Reserve**
Balance as on 31st March 2019 before restatement	**87,898.46**	**(97,615.55)**	-
Add: Land transferred under demerger scheme	-	-	7,499.35
Add: Other assets and liabilities of Domestics Warehousing Division	-	-	62.50
Add: Written back of borrowings from Arshiya Limited	-	-	16,561.21
Add: Cancellation of investment by Arshiya Limited	-	-	5,967.16
Add: Deemed Equity of Arshiya Limited	-	-	3,214.71
Less: New Shares to be Issued	-	-	(2,622.76)
Less/Add :. Adjustment as per Demerger Scheme	(87,898.46)	87,898.46	-
Balance as on 1st April 2019 after restatement	-	**(9,717.09)**	**30,682.17**

62.2 Post NCLT order dated 21st January,2022, one of the lenders of AL has appealed against the said order at the Hon'ble National Company Law Appellate Tribunal (NCLAT). Pursuant to on order dated 4th March 2022, NCLAT has ordered to maintain 'status quo' in the matter and hence the matter is now 'sub - judice'. AL has appealed for setting aside the said order of 4th March 2022 and requested the NCLAT to allow AL to complete the formalities such as allotment procedures of the demerger and listing of the shares of the Company. As the scheme is in the interest of stakeholders of both the companies, AL and the company shall be pursuing the appeal. Based on legal opinion obtained, the Company has prepared the financial statements for the year ended 31st March 2022 after giving accounting effects of scheme as per the NCLT order.

63 The Company do not have any transactions and balances with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

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64 The Company has made a detailed assessment and the recoverability and carrying value of its assets, as at 31st March 2022, comprising investments and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

65 No proceeding has been initiated or pending against the company for erstwhile holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

66 The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

67 The Company does not have any pending creation of charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period except in one of the case, the Company has signed the documents for loan facilities of Rs. 600.00 Lakhs from a NBFC but not drawn said loan. The satisfaction of charges will be filed upon receipt of require documents from a NBFC.

68 The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

69 The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

70 The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

71 The Company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

72 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

73 Utilisation of borrowed funds as on March 31, 2022, there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

74 The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company.

75 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.

76 Previous year's figures have been regrouped / rearranged / restated wherever necessary to comply with requirement of Ind AS and Schedule III and in view of the Scheme as detailed in note no. 62.

Notes to the financial statements 1-76

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

Place : Mumbai
Date: 31st Aug, 2022

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

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

CHATURVEDI SHAH LLP
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of
Arshiya Rail Infrastructure Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Arshiya Rail Infrastructure Limited** (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2022, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated 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 consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31st March, 2022, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

i. *As mentioned in the Note No. 49 (i) to the consolidated financial statements, the Holding 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. 3080.01 Lakh for the year ended 31st March 2022, 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. 5,831.21 Lakh till 31st March 2022. Had interest been recognised at its documented rate, finance cost for the year ended 31st March 2022 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. 50 of the consolidated financial statements, the Holding 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 Holding Company has not reversed the gain recorded in earlier year and not provided for additional interest Rs. 3481.28 Lakh for the year ended 31st March, 2022. Had the Holding 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. 12,493.43 Lakh by equivalent amount as mentioned above, having consequential impact on total comprehensive income and other equity.*

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iii. *We draw attention to the Note no. 52 of the consolidated financial statements, during the course of preparation of consolidated financial statements for the year ended 31st March 2022, e-mails have been sent to lenders by the Holding Company with a request to confirm their balances directly to us. As at 31st March 2022, direct balance confirmations of total borrowings including interest accrued (including current maturities and current borrowings), aggregating to Rs. 119422.01 Lakh have not been received. We are unable to obtain sufficient appropriate audit evidence about these borrowings (including interest) outstanding as at 31st March 2022. Consequently, we are unable to determine whether any adjustment to these amounts are necessary and consequential impacts on the consolidated financial statements of the Group.*

iv. *For reasons mentioned in Note no. 7A (1) of the consolidated financial statements, the Holding Company could not assess the impairment of carrying value of property, plant and equipment in accordance with requirements of Indian Accounting Standard 36 on "Impairment of Assets". We are unable to obtain sufficient appropriate audit evidence about the recoverable amount of the same. Consequently, we are unable to determine whether any adjustments to carrying value of property, plant and equipment are necessary as at 31st March 2022 and consequential impacts on the consolidated financial statements.*

We conducted our audit in accordance with 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 Consolidated Financial Statements* section of our report. We are independent of the Group 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 we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to the Note no. 47 of the Consolidated Financial Statements, the Holding Company incurring losses and it's net worth as at 31th March, 2022 is negative, unable to pay its dues to operational and financial creditors, the Holding Company has defaulted in repayment of dues to lenders and started recovery proceeding under SARFAESI from EARC by disposing off tangible and intangible assets, lenders have even called back their loans, lenders have classified Holding Company's borrowing as NPA, current liabilities exceeded its current assets of the Holding Company, creditors have applied before NCLT under Insolvency and Bankruptcy Code, 2016. Since it's sizable movable assets under rail operations has been disposed off by lenders, the Holding Company is evaluating various options to utilize optimally it's assets pertaining rail operations, ICD and domestic warehousing. We have been informed by the management that Holding Company is also under advanced stage of debt restructuring with EARC. These matters including others matters as set out in the notes indicate that a material uncertainty exists that may cast significant doubt about their ability to continue as a going concern. The financial statements of the holding Company have been prepared on the going concern basis. The said assumption of going concern is dependent upon above said factors and generation of cash flows to meet its obligations. Our opinion is not modified in respect of this matter.

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Emphasis of Matters

(i) We draw attention to Note no. 58.1 of the consolidated financial statements, regarding accounting of the scheme from the appointed date being 1st April 2019 as approved by the National Company Law Tribunal, though the Scheme has become effective on 2nd February, 2022.

(ii) We draw attention to Note no. 58.2 of the consolidated financial statements, one of the lenders of the Arshiya Limited, had preferred an appeal in "Hon'able National Company Law Appellate Tribunal" ("NCLAT"), against the order of Hon'able National Company Law Tribunal, Mumbai sanctioning the Scheme of Arrangement between the Holding Company and Arshiya Limited. NCLAT ordered to maintain the status quo prevailing as on that date, vide it's order dated 4th March 2022. According to the legal opinion obtained by the Arshiya Limited and in view of the Management, it can prepare the financial statements as per sanctioned scheme of arrangement.

(iii) We draw attention to the note no. 53 of the consolidated financial statements, regarding the balance confirmations of trade receivables and trade payables. During the course of preparation of consolidated financial statements, e-mails/letters have been sent to various parties by the holding Company with a request to confirm their balances directly to us out of which only few parties have responded. The management is confident and is of the view that there will not be any material variation in the said balances.

(iv) As at 31st March, 2022, balance confirmation of capital advance amounting to Rs. 1,041.64 Lakh have not been received by the Holding Company.

Our opinion on the consolidated financial statements is not modified in respect of these matters.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises in the Annual report (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated 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 consolidated 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding 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 preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated Statement of changes in equity of the Group 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. The respective Board of Directors of the company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the company included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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 consolidated 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.

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- 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 consolidated 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

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Other Matter

The consolidated financial statements include the audited financial statements of one subsidiary, whose financial statements / financial information reflect total assets of Rs. 3835.67 Lakh as at 31st March, 2022, total revenue of Rs. Nil and cash outflow (net) of Rs. 0.14 Lakh for the year ended 31st March, 2022, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) *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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts, maintained for the purpose of preparation of the consolidated financial statements;

   (d) *Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above,* in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules there under;

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary, none of the directors of the Group companies are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The matters described in paragraphs above under the Material Uncertainty Related to Going Concern, in our opinion, may have an adverse effect on the functioning of the Holding Company;

   (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary and the operating effectiveness of such controls, refer to our separate Report in **Annexure A;**

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(h) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

(i) In our opinion and based on the consideration of reports of other statutory auditor of the subsidiary incorporated in India, no remuneration for the year ended 31st March, 2022 has been paid / provided by the Holding Company and its subsidiary incorporated in india to their directors hence the provisions of section 197 of the Act is not applicable.

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

i. The consolidated financial statements discloses the impact of pending litigations as at 31st March, 2022 on the consolidated financial position of the Group - Refer Note no. 36 (ii) and 54 to the consolidated financial statements.

ii. The Group 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 Holding Company and it's subsidiary.

iv. (a) The respective Managements of the Company and its subsidiary which is company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Company and its subsidiary which are company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditor of the subsidiary which are company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under paragraph (1) (j) (iv) (a) and (b) above, contain any material misstatement.

v. The Holding Company and its subsidiary incorporated in India has not declared or paid any dividend during the current year.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, provided to us by the Management of the Holding Company, we report that there following qualification or adverse remarks by the respective auditors in the CARO report of the said companies included in the consolidated financial statements.

Name	CIN	Holding Company/ subsidiary	Clause number of the CARO report which is qualified or adverse
Arshiya Rail Infrastructure Limited	U93000MH2008PLC180907	Holding	vii (a), ix (a), xix

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No. 101720W/W100355

Vijay Napawaliya
Partner
Membership No. 109859
UDIN: 22109859AXIPXY1271

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 31st August 2022

"Annexure A" to the Independent Auditor's Report

Referred to in paragraph 1(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 consolidated financial statements for the year ended 31st March 2022.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of consolidated financial statements of Arshiya Rail Infrastructure Limited ("the Holding Company") as of 31st March, 2022 we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and Subsidiary which are company incorporated in India

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary which incorporated in India is responsible for establishing and maintaining internal financial controls based on the Internal control with reference to consolidated financial statements criteria established by these 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 respective 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 Holding Company's and subsidiary which are incorporated in India, internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary incorporated in India, internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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 and information & explanations provided by the management, the material weaknesses have been identified in the Group's internal financial controls with reference to consolidated financial statements as at 31st March, 2022 with regard to 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 and iii) obtaining balance confirmations of borrowing (including interest) from lenders and iv) assessment of recoverable value of property, plant and equipment and consequential impairment, if any.

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

d/C

ARSHIYA RAIL INFRASTRUCTURE LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(Rupees in lakhs)

Particulars	Notes	As at March 31, 2022
ASSETS		
Non-Current Assets		
(a) Property, Plant and Equipment	7A	88,947.21
(b) Right of use assets	7B	10.98
(c) Goodwill on consolidation		1.97
(d) Intangible Assets	8	66.52
(e) Other Non-Current Assets	9	1,294.43
		90,321.11
Current assets		
(a) Financial Assets		
(i) Trade Receivables	10	28.15
(ii) Cash and Cash Equivalents	11	17.95
(iii) Loans	12	231.12
(iv) Bank Balances Other than (ii) above	13	103.37
(v) Other Financial Assets	14	391.26
(b) Other Current Assets	15	4,092.23
		4,864.08
TOTAL ASSETS		**95,185.19**
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	16	-
(b) Share suspense Account	16	2,622.76
(c) Other Equity	17	(34,126.29)
		(31,503.53)
Liabilities		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	18	2,475.76
(ii) Other Non Financial Liabilities	19	50.23
(b) Provisions	20	16.74
(c) Other Non-Current Liabilities	21	62.74
		2,605.47
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	22	67,846.62
(ii) Trade Payables	23	
(A) Total outstanding dues of Micro and Small Enterprises		72.83
(B)Total outstanding dues of creditors Other than Micro and Small Enterprises		605.37
(iii) Lease Liabilities	24	14.04
(iv) Other Financial Liabilities	25	53,758.61
(b) Other Current Liabilities	26	1,780.99
(c) Provisions	27	4.79
		1,24,083.25
TOTAL EQUITY & LIABILITIES		**95,185.19**

Notes to the financial statements 1-71

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date: 31st August, 2022

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

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

Mumbai

ARSHIYA RAIL INFRASTRUCTURE LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rupees in lakhs)

Particulars	Notes	Year ended March 31, 2022
INCOME		
Revenue from operations	28	828.12
Other income	29	417.37
Total Income (I)		**1,245.49**
EXPENSES		
Cost of operations	30	47.97
Employee benefits expenses	31	617.66
Finance costs	32	15,768.65
Depreciation and amortization expenses	33	4,042.86
Other expenses	34	1,228.71
Total Expenses (II)		**21,705.85**
Profit/(loss) before tax		(20,460.36)
Tax expense:		
Current tax		-
Deferred tax		-
Profit/(loss) for the year		(20,460.36)
OTHER COMPREHENSIVE INCOME (OCI)		
Item not to be reclassified to profit and loss :		
Remeasurement of gains/ (losses) on defined benefit plans	38	2.60
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(20,457.76)
Earnings per Equity shares (Face Value Rupees 10 each)		
Basic/ Diluted earnings per share (In Rupees)	35	(15.59)

Notes to the financial statements 1-71

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

Place : Mumbai
Date: 31st August, 2022

CHATURVEDI & SHAH LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

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

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

ARSHIYA RAIL INFRASTRUCTURE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A Equity Share Capital (Refer Note 16)

(Rupees in lakhs)

Particulars	Amount
Equity Shares of Rupees 10 each issued, subscribed and paid up	
As at April 1, 2021	-
Equity Shares	-
Issue of equity share during the year	-
As at March 31, 2022	-

B Share Capital Suspense Account (Refer Note 16)

(Rupees in lakhs)

Particulars	Amount
As at April 1, 2021	**2,622.76**
Share Suspense Account	-
As at March 31, 2022	**2,622.76**

B Other Equity (Refer Note 17)

(Rupees in lakhs)

Particulars	Reserve & Surplus			
	Retained Earnings	Capital Reserve	Equity Component of Zero% Optionally Convertible Preference shares (OCRPS)	Total
As at April 1, 2021	**(44,869.77)**	**30,682.15**	**519.09**	**(13,668.53)**
Loss for the year	(20,460.36)			(20,460.36)
Other comprehensive income	2.60			2.60
Total comprehensive income for the year	**(20,457.76)**			**(20,457.76)**
As at March 31, 2022	**(65,327.53)**	**30,682.15**	**519.09**	**(34,126.29)**

Notes to the financial statements 1-71

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

CHATURVEDI & SHAH LLP MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date: 31st August, 2022

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

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

ARSHIYA RAIL INFRASTRUCTURE LIMITED

Consolidated Cash Flow Statement for the year ended 31st March, 2022

(Rupees in lakhs)

Particulars		Year ended March 31, 2022
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) for the year before tax		(20,460.36)
Adjustments for :		
Depreciation and amortization expenses		4,042.86
Interest Income		(7.94)
Interest on loan to others		(23.11)
Loss/(Gain) on sale/discarded Property, plant and equipment / Intangible Assets		530.20
Gain on Lease modification		(4.78)
Provision for Doubtful debts/ ECL		7.20
Sundry Balances Written Back (net)		(258.36)
Finance Expense		15,768.65
Interest on Income Tax refund		(6.90)
Rent concession		(4.38)
Excess provision write back		(26.64)
Fair value of financial instruments		(0.14)
Government grant – Income		(35.07)
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES		**(478.77)**
Adjustments for		
Trade & other payables		(136.29)
Trade & other receivables		(3,230.98)
CASH GENERATED FROM OPERATIONS		**(3,846.03)**
Direct Tax (Paid)/ Refunds		66.40
NET CASH FLOW FROM OPERATING ACTIVITIES	**Total (A)**	**(3,779.63)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment		(0.44)
(Increase)/ decrease in other bank balances		199.16
Proceeds from Sale of Property, Plant and Equipment/ Intangible Assets		1,200.00
Loans given to other (Net)		2,230.37
Investment in subsidiary		(1.00)
Interest Income on Fixed Deposits		17.20
Interest Income on loans to others		23.11
NET CASH FLOW FROM INVESTING ACTIVITIES	**Total (B)**	**3,668.39**
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings - Non current		1,404.33
Payment of Lease Liability		(114.02)
Borrowing - current (Net)		(0.00)
Interest paid on borrowings		(1,195.00)
NET CASH FLOW FROM FINANCING ACTIVITIES	**Total (C)**	**95.31**
Net Increase/(Decrease) in cash and cash equivalents	**(A+B+C)**	(15.93)
Cash and cash equivalents at the beginning of the year		33.90
Cash and Cash Equivalents at the end of the year		**17.97**
Cash and cash equivalents at the end of the year		17.95
Cash and Cash Equivalents at the end of the year (Refer Note no. 11)		**17.95**

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

Particulars	April 1, 2021	Cash flow	INDAS impact	Other non cash adjustment	March 31, 2022
Long term borrowing (Refer Note no 18 & 22)	65,690.18	1,404.33	2[illegible]3.53	-	67,318.04
Short term borrowing (Refer Note no. 22)	3,000.00	0.00	-	-	3,000.00

Notes to the financial statements

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

CHATURVEDI & SHAH LLP
MUMBAI
CHARTERED ACCOUNTANTS

Place : Mumbai
Date: 31st August, 2022

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

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

ARSHIYA RAIL INFRASTRUCTURE LIMITED

Notes to the Consolidated financial statements for the year ended 31st March, 2022

1 Corporate Information

Arshiya Rail Infrastructure Limited (hereinafter referred to "the Parent Company" or "the Company") (CIN : U93000MH2008PLC180907) together with its subsidiary (collectively referred to as "Group") 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 205 & 206, Level 2, Ceejay House, Shiv Sagar Estate, F-Block, Dr. Annie Besant Road, Worli, Mumbai- 400 018.

Arshiya Rail Infrastructure Limited (ARIL) offering unprecedented rail infrastructure, including Private Freight Terminal (PFT),warehousing including temperature controlled storage and Inland Container Depot (ICD) . The company is engaged in PFT business, warehousing and ICD business for Exim Traffic. ARIL's unique 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.

AMD Business Support Services Private Limited is a service and manufacturing unit in Free Trade Warehousing Zone (FTWZ) of Arshiya Limited at Sai, Panvel, Maharashtra and Arshiya Northern FTWZ Limited, at Khurja, Uttar Pradesh.

The Consolidated financial statements for the year ended 31st March, 2022 were approved and adopted by board of directors in their meeting held on 31st August, 2022. These statements comprises of Consolidated Financial Statements ("CFS") of Arshiya Rail Infrastructure limited and its subsidiary for the year ended 31st March, 2022.

AMD Business Support Services Private Limited became the subsidiary of the Company from 14th August, 2021 hence, this is the first year in which consolidation of financial statement is applicable and prepared. Hence no comparative figures are given.

2 Basis of preparation of consolidated financial statement

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified 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 consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value / amortized cost.

The consolidated financial statements are presented in Indian Rupees (Rs.) which is the Group's functional and presentation currency and all values are rounded to the nearest lakh as per the requirement of schedule III of the Act, unless when otherwise indicated.

3 Basis for Consolidation

The consolidated financial statements comprise of the financial statements of the Parent Company and its subsidiary as at 31st March, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights and the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements from the date the Group obtains control and assets, liabilities, income and expenses of a subsidiary disposed off during the year are included in the consolidated financial statements till the date the Group ceases to control the subsidiary.

The CFS includes the Financial Statements of the Parent Company and the subsidiary (as listed in the table below). Subsidiary are consolidated from the date on which effective control is acquired and are excluded from the date of transfer/disposal.

[redacted]			
			31st March, 2022
(i)	AMD Business Support Services Private Limited (AMD) (w.e.f. 14th August, 2021)	India	100%

4 Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The difference between the cost of investment in the Subsidiary and the Parent's share of net assets at the time of acquisition of control in the Subsidiary is recognised in the consolidated financial statement as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.

(c) Intra-Group balances and transactions, and any unrealized income and expenses arising from Intra Group transactions, are eliminated in preparing the consolidated financial statements.

(d) Consolidated statement of Profit and Loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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MUMBAI
CHARTERED ACCOUNTANTS

(e) For the acquisitions of additional interests in Subsidiary, where there is no change in the control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests, the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in consolidated statement of profit and loss. The results of Subsidiary acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

(f) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

(g) Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, if any, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

5 Significant Accounting Policies

5.1 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. Leasehold improvements are amortized over the period of lease. 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 assets' 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 construction / 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 consolidated 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 consolidated statement of profit and loss in the year of occurrence.

The Group has opted to continue with the carrying values of all of its Property, Plant and Equipment as recognised in the Previous GAAP financial statements as deemed cost at the transition date i.e. 1st April, 2016.

5.2 Intangible Assets

Intangible assets are carried at cost less accumulated amortization 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 Group and the cost of the asset can be reliably measured.

Cost of Enterprise Resource Planning (ERP) software including expenditure on implementation is to be amortized over a period of ten years based on management's estimate of useful life over which economic benefits will be derived from its use.

Computer softwares are capitalized at the amounts paid to acquire the respective license for use and are amortized over the period of three to seven 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 consolidated statement of profit and loss when the asset is derecognised.

The Group has opted to continue with the carrying values of all of its Intangible assets as recognised in the Previous GAAP financial statements as deemed cost at the transaction date i.e. 1st April, 2016.

5.3 Leases

The Group 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 Group assesses whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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.

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MUMBAI
CHARTERED ACCOUNTANTS

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 Group 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 note 7b, 24 respectively and lease payments have been classified as financing cash flows.

5.4 Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories comprises of cost of land and incidental cost thereto, cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the first in first out basis.

5.5 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 on hand and short-term deposits, as defined above, net of outstanding bank overdrafts as which are considered an integral part of the Group's cash management.

5.6 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 consolidated 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.

5.7 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 amortized cost.

(ii) 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 amortized cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the consolidated 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 amortized 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 Group'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.

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 form the Group's statement of financial position) when:

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

(iii) Financial liabilities - Initial recognition and measurement:

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

Effective interest method

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

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.

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Financial Liabilities - Financial guarantee contracts

Financial guarantee contracts issued by the Group 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 amortization.

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 consolidated statement of profit and loss.

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.

5.8 Provisions, Contingent Liabilities, Contingent Assets and Commitments:

Provisions are recognised when the Group 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 consolidated 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 Group 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 Consolidated Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

5.9 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.

5.10 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 Group 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 fron sale of services e.g rail freight income recognised as per the terms of c ntracts with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. F. 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 provided (Percentage of completion method)

(ii) Measement 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.

(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.

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(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 from a financial asset is recognised when it is probable that the economic benefits will flow to the Group 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 is recognised when the right to receive the payment is established, which is generally when shareholders approve the payment of dividend.

Contract balances

Trade Receivables

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

Contract liabilities

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

5.11 Foreign currency reinstatement and translation:

Transactions in foreign currencies are initially recorded by the Group 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 the consolidated statement of profit and loss. Differences arising on settlement of monetary items are also recognised in the consolidated 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 consolidated statement of profit and loss, within finance costs. All other finance gains / losses are presented in the consolidated statement of profit and loss on a net basis.

5.12 Employee benefits

Short term employee benefits are recognized as an expense in the consolidated 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 the consolidated statement of profit and loss.

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 the consolidated 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 the consolidated statement of profit and loss in subsequent periods.

5.13 Taxes on Income

Income tax expense represents the sum of current tax (including MAT and income tax for earlier years) and deferred tax . Tax is recognised in the consolidated 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 utilized. 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 utilized.

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5.14 Borrowing costs

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

5.15 Earnings per Share

Basic earnings per share is computed using the net profit/loss 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/loss 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.

5.16 Current and non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

The Group has presented non-current assets and current assets, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

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 Group has identified twelve months as its normal operating cycle.

5.17 Fair value measurement

The Group 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 Group 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 consolidated financial statements are categorized within the fair value hierarchy.

5.18 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 Group or counterparty.

5.19 Segment Reporting - Identification of Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group'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 Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

5.20 Contributed Equity

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

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5.21 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 Group are segregated based on the available information.

5.22 Business combinations

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 involving entities that are controlled by the Group are accounted for using the pooling of interests method as follows:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities.

(iii) Adjustments are only made to harmonise accounting policies.

(iv) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

(v) The balance of the Retained Earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against General Reserve.

(vi) The identities of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

(vii) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to Capital Reserve and is presented separately from Other Capital Reserves.

6 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated 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 Group based on its assumptions and estimates on parameters available when the consolidated 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 Group. Such changes are reflected in the assumptions when they occur.

6.1 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 Group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

6.2 Income Tax

The Group 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. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

6.3 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 Group as it is not possible to predict the outcome of pending matters with accuracy.

6.4 Impairment of financial assets

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

6.5 Impairment of non-financial assets

The Group 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 Group 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.

6.6 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.

6.7 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.

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6.8 Provisions

Provisions and liabilities 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.

6.9 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.

6a Recent Accounting pronouncements

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from April 01, 2022.

- Ind AS 101 – First time adoption of Ind AS
- Ind AS 103 – Business Combination
- Ind AS 109 – Financial Instrument
- Ind AS 16 – Property, Plant and Equipment
- Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 41 – Agriculture

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

7A

(Rupees in lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Computer	Railway Terminals	Leasehold Improvements	Total
Gross Carrying Value									
As at April 01, 2021	43,310.61	44,133.37	8,449.54	398.51	41.33	108.86	14,388.57	161.15	1,10,991.94
Additions	-	-	0.44	-	-	-	-	-	0.44
Disposals	-	-	-	-	-	-	-	-	-
As at Mar 31, 2022	43,310.61	44,133.37	8,449.98	398.51	41.33	108.86	14,388.57	161.15	1,10,992.38
Accumulated Depreciation									
As at April 01, 2021	-	8,101.99	4,026.37	276.31	26.55	95.52	5,799.23	99.42	18,425.39
Depreciation for the year	-	1,595.48	757.99	54.81	4.98	0.23	1,162.17	44.12	3,619.78
Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	9,697.47	4,784.36	331.12	31.53	95.75	6,961.40	143.54	22,045.17
Net Carrying value as at March 31, 2022	43,310.61	34,435.90	3,665.62	67.39	9.80	13.11	7,427.17	17.61	88,947.21

Note:- 1) The carrying value of property, plant and equipment (PPE) as at 31st Mar'2022 is Rs. 88,947.23 lakh (including carrying value of free hold land of Rs. 43,310.61 lakh). The Company has not taken into consideration impacts of impairment, if any, in the value of its PPE, since the Company has not made full assessment of impairment as required by " IND AS 36" on " Impairment of Assets". The management of the Company is evaluating various options, including restructuring of its business operations and entering into long term contracts with customers, maximumutilisation of facility, capturing business from development of DFC & Jewar airport in PFT etc.

2) Title deeds of Immovable Properties not held in the name of Company

Description of item of Property	Gross value	Carrying	Title deed held in the name of	Title deed holder is a promoter,	Property held since date	Reason for not being held in the name of the Company
43.23 acre of land situated at Khurja		7499.35	Arshiya Limited	No	1st April, 2019	Due to Demerger, this land is transferred in ARIL as per scheme but transfer in Govt. records is under process.

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ARSHIYA RAIL INFRASTRUCTURE LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

7B PROPERTY, PLANT AND EQUIPMENT [illegible]

	(Rupees in lakhs)
Particulars	**Right to use asset**
Gross Carrying Value	
As at April 01, 2021	**542.14**
Additions	-
Disposals	(111.76)
As at March 31, 2022	**430.38**
Accumulated Depreciation	
As at April 1, 2021	**399.75**
Depreciation for the year	95.19
Deductions	(75.54)
As at March 31, 2022	**419.40**
Net Carrying value as at March 31, 2022	**10.98**

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ARSHIYA RAIL INFRASTRUCTURE LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

8 **INTANGIBLE ASSETS** [illegible]

(Rupees in lakhs)

Particulars	Computer Software	Rail Licenses fees	Total
Gross Carrying Value			
As at April 1, 2021	**713.31**	**3,208.33**	**3,921.64**
Additions	-	-	-
Disposals*	-	(3,208.33)	(3,208.33)
As at March 31, 2022	**713.31**	**0.00**	**713.31**
Accumulated Amortisation			
As at April 1, 2021	**546.86**	**1,250.18**	**1,797.04**
Amortisation for the year	99.93	227.97	327.90
Deductions	-	(1,478.15)	(1,478.15)
As at March 31, 2022	**646.79**	**0.00**	**646.79**
Net Carrying value as at March 31, 2022	**66.52**	-	**66.52**

* Note - Railway license (Category- I, CTO) is sold through SARFAESI Act by EARC e-auction sale in Rs. 1200 lakhs dated 28th Feb'22. Net book value as on 28th Feb'2022 is Rs. 1730.20 lakhs. Loss on sale of License of Rs. 530.20 lakhs shown in other expenses note no. 34.

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ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

9 OTHER NON CURRENT ASSETS

(Rupees in lakhs)

Particulars	As at March 31, 2022
Unsecured, considered good unless otherwise stated	
Capital Advances	1,041.64
- Other Advances - gratuity (Refer Note 38)	22.30
Others	
- TDS Receivable	230.49
Total	**1,294.43**

10 CURRENT ASSETS - TRADE RECEIVABLES

(Rupees in lakhs)

Particulars	As at March 31, 2022
Current	
Trade Receivables considered good - Secured	-
Trade Receivables considered good - Unsecured	28.15
Trade Receivable which have Significant increase in Credit Risk	7.50
Trade Receivable -credit impaired	-
	35.65
Less: Provision for expected credit loss	7.50
	7.50
Total	**28.15**

Notes:

a) **Trade Receivable ageing schedule as at 31 March'22**

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables							
-Considered good	21.16	6.99	-	-	-	-	28.15
-Which have significant increase in credit risk	-	-	-	7.50	-	-	7.50
-Credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
-Considered good	-	-	-	-	-	-	-
-Which have significant increase in credit risk	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Total	**21.16**	**6.99**	-	**7.50**	-	-	**35.65**
Less: Allowance for doubtful debts (expected credit loss allowance)	-	-	-	(7.50)	-	-	(7.50)
Total	**21.16**	**6.99**	-	-	-	-	**28.15**

(Rupees in lakhs)

b) Movement in the Doubtful debts / Expected Credit loss Allowance	As at 31 March'22
Balance as the beginning of the year	26.94
Movement in expected credit loss allowance	(19.44)
Balance at the end of the year	7.50

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11 CURRENT ASSETS - CASH AND CASH EQUIVALENTS (Rupees in lakhs)

Particulars	As at March 31, 2022
Balances with banks on current accounts	17.94
Cash on hand	0.01
Total	17.95

12 CURRENT ASSETS - LOANS (Rupees in lakhs)

Particulars	As at March 31, 2022
Loan to others considered good - Unsecured	225.37
Loan to others which have Significant increase in Credit Risk	-
Loan to others -credit Impaired	-
Loan to Related Parties considered good - Unsecured	5.75
Total	231.12

13 CURRENT ASSETS - OTHER BANK BALANCES (Rupees in lakhs)

Particulars	As at March 31, 2022
Deposits with banks to the extent held as margin money	103.37
Total	103.37

14 OTHER CURRENT FINANCIAL ASSETS (Rupees in lakhs)

Particulars	As at March 31, 2022
Unsecured, considered good unless otherwise stated	
Financial assets carried at amortised cost	
Security Deposits	81.28
Financial Guarantee	309.98
Total	391.26

15 OTHER CURRENT ASSETS (Rupees in lakhs)

Particulars	As at March 31, 2022
- Advances to Suppliers	3,858.50
- Advances to Employees	81.84
-Others	0.03
Others	
-Other receivable	110.24
- Prepaid expenses	5.28
-Interest Receivable	20.79
- Balance with Government Authority	15.55
Total	4,092.23

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ARSHIYA RAIL INFRASTRUCTURE LIMITED
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16 [illegible]

Particulars	As at March 31, 2022
Equity Shares	
i) Authorised Share Capital	
30,75,00,000 Equity shares of Rupees 2 each	6,150.00
35,50,000 Preference Shares of Rupees 10 each	355.00
Total	**6,505.00**
ii) Issued, Subscribed & Fully Paid up	-
Total	-
iii) Share Capital Suspense Account (In consequence to Demerger of Arshiya Limited (AL) Domestic Business Undertaking, 13,11,37,958 Equity shares of Rs. 2 each fully paid up is to be issued to shareholders of AL as consideration w.e.f. appointed date i.e. April 1st, 2019. Pending issue and allotment of equity shares, the face value of shares to be allotted is shown against "Share Suspense Account"	2,622.76
Total	**2,622.76**

iv) 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 of Rupees 10 each		
At April 1, 2021	1,20,000	12.00
Issued during the year	-	-
At March 31, 2022	**1,20,000**	**12.00**

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rupees 2 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 1,200.00 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 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 6th year from the date of allotment of OCRPS - Series I.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

iv. Details of shares to be alloted more than 5% equity shares in the company on Record date

Name of the shareholder	As at March 4, 2022	
	Number of shares to be alloted	% holding
Equity shares of Rupees 2 each fully paid		
Promoter		
Mr. Ajay S. Mittal	1,91,78,219	14.62%
Mrs. Archana A Mittal	3,75,98,639	28.67%
Edelweiss Asset Reconstruction Company Limited (On behalf of various trusts)	3,00,29,905	22.90%

v. Shareholding of promoters proposed to be alloted on Record date

As at 31st March 2022

Category	Promoter's name	No. of shares to be alloted at the end of the year	% of total shares
Promoter	Mr. Ajay S. Mittal	1,91,78,219	14.62%
Promoter	Mrs. Archana A Mittal	3,75,98,639	28.67%

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

Name of the shareholder	As at March 31, 2022	
	Number	% holding
Preference shares of Rupees 10 each fully paid		
Bank of Baroda	1,20,000	100.00

Note:- Erstwhile Arshiya Industrial & Distribution Hub Limited (AIDHL) which merged into Company 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rupees in lakhs)

17 [illegible]

Particulars	As at March 31, 2022
Retained Earnings	(65,327.53)
Capital Reserve	30,682.15
Equity Component of Zero% Optionally Convertible Preference shares (OCRPS)	519.09
Total	**(34,126.29)**

(a) Retained Earnings

(Rupees in lakhs)

Particulars	As at March 31, 2022
Opening balance	(44,869.77)
Add/(Less):	-
Net Profit/(Loss) for the year	(20,460.36)
Other comprehensive income	2.60
Closing balance	**(65,327.53)**

(b) Capital Reserve

(Rupees in lakhs)

Particulars	As at March 31, 2022
Opening balance	30,682.15
Add/(Less): Transaction during the year	-
Closing balance	**30,682.15**

(c) Nature & purpose of Reserves

Retained Earnings :

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

Capital Reserve

The surplus arising on recording of assets & liabilities and nullification of inter company balances as per scheme of acquisition of Domestic undertaking over the shares cancelled and consideration recorded is transferred to Capital Reserve.

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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

18 NON CURRENT BORROWINGS (Rupees in lakhs)

Particulars	As at March 31, 2022
Unsecured	
(a) Loans from related party (Refer note 18.1 below and 41)	1,404.33
(b) Liability Component of Compound Financial Instruments	1,071.43
Total	2,475.76

18.1 Note:
1) Unsecured loan avialled from Related Party.
2) Rate of Interest is @ 12% p.a.
3) Loan is repayable on 1st February, 2025.

19 OTHER NON CURRENT FINANCIAL LIABILITIES (Rupees in lakhs)

Particulars	As at March 31, 2022
Non Current	
Interest accrued and due on borrowings	50.23
Total	50.23

20 NON CURRENT LIABILITIES - PROVISIONS (Rupees in lakhs)

Particulars	As at March 31, 2022
Non Current	
Provision for employee benefits	
Leave encashment (Refer Note 38)	16.74
Total	16.74

21 OTHER NON CURRENT LIABILITIES (Rupees in lakhs)

Particulars	As at March 31, 2022
Non Current	
Government Grants (Refer 26.1)	62.74
Total	62.74

22 CURRENT BORROWINGS (Rupees in lakhs)

Particulars	As at March 31, 2022
Secured	
(a) Loan from other party (Refer note 22.1 below)	3,000.00
(b) Current maturities of long term borrowings	
Term Loans from banks (Refer Note 22.2)*	4,219.28
Term Loans from others (Refer Note 22.3)	60,622.99
Unsecured	
(d) Loans from related party	4.35
Total	67,846.62

* Include Loan aggregating to Rupees 4,219.28 lakhs recalled by banks.

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ARSHIYA RAIL INFRASTRUCTURE LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

Term loans of 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 erstwhile Parent Company

iii) Corporate Guarantee of erstwhile 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 RAIL Division- Rupee term loan from Banks :-

- Rupee term loans of Rupees 4,219.28 lakhs are secured by

(1) Details of Security

i. First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of the Rail Division both present and future on pari passu basis.

ii. Second charge by way of Hypothecation of the entire current assets of the Rail Division on pari passu basis.

iii. Personal guarantees from Promoters of erstwhile Holding Company.

iv. Corporate Guarantee from erstwhile Holding Company/ Promoter.

v. Pledge of 100% equity shares of ARIL i.e. pre merger of AIDHL & ATHL with the company scheme shareholding held by Promoters.

(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. 50

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

(Rupees in lakhs)

Particulars	March 31, 2022	
	Period of Default	Banks
Current maturity of Rupee Term loans	2015-2016	2,385.28
	2018-2019*	1,834.00
Total		4,219.28

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

- Rupee term loans (including current maturity) of Rupees 34,024.82 lakhs are secured by

(1) Details of Security

i. First charge on all movable assets (including rakes, containers, equipment's) and immovable properties of the Rail Division both present

ii. Second charge by way of Hypothecation of the entire current assets of the Rail Division on pari passu basis.

iii. Personal guarantees from Promoters of erstwhile Holding Company.

iv. Corporate Guarantee from erstwhile Holding Company.

v. Pledge of 100% equity shares of ARIL i.e. pre merger of AIDHL & ATHL with the company scheme shareholding held by Promoters.

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(2) Terms of interest rate:
- on Term Loans from others 10% p.a. compounded monthly, payable half yearly.

(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, 2022	
	Amount	Period of Default*
Current maturity of Rupee Term loans -Others	1,744.63	2019-20
	6,139.19	2020-21
	2,276.52	2021-22
	23,954.16	*
Total	**34,114.50**	

* During the year, all the loans along with interest & other dues are recalled by the lenders.

(5) The amortised cost disclosed above is net off of incidental cost of borrowings aggregating to Rupees 74.21 lakhs for March 31, 2022.

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

- Rupee term loans (including current maturity) of Rupees 26,598.44 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.

iv. Corporate Guarantee from erstwhile Holding Company.

(2) Terms of interest rate:
- on Term Loans from others 10% p.a. compounded monthly, payable half yearly.

(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

Particulars	As at March 31, 2022	
	Amount	Period of Default*
Current maturity of Rupee Term loans -Others	1,885.69	2019-20
	4,034.74	2020-21
	2,209.30	2021-22
	18,470.27	*
Total	**26,600.00**	

* During the year, all the loans along with interest & other dues are recalled by the lenders.

(5) The amortised cost disclosed above is net off of incidental cost of borrowings aggregating to Rupees 1.56 lakhs for March 31, 2022.

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ARSHIYA RAIL INFRASTRUCTURE LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

23 CURRENT LIABILITIES- TRADE PAYABLES (Rupees in lakhs)

Particulars	As at March 31, 2022
Total outstanding dues of Micro and Small Enterprises (Refer note 40 & 53)	72.83
Total outstanding dues of creditors Other than Micro and Small Enterprises (Refer note 40)	605.37
Total	678.20

23.1 Trade Payable ageing schedule as at 31 March'22

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade Payable						
-dues of micro and small enterprises	16.41	42.97	13.45	-	-	72.83
-Others	101.42	52.48	167.79	98.74	184.94	605.37
Disputed Trade Payable						
-dues of micro and small enterprises	-	-	-	-	-	-
-Others	-	-	-	-	-	-
Total	117.83	95.45	181.24	98.74	184.94	678.20

24 LEASE LIABILITIES (Rupees in lakhs)

Particulars	As at March 31, 2022
Current	
Lease liability (Refer note 37)	14.04
Total	14.04

25 OTHER CURRENT FINANCIAL LIABILITIES (Rupees in lakhs)

Particulars	As at March 31, 2022
Current	
Financial Liabilities at amortised cost	
Interest accrued and due on borrowings*	51,579.74
Interest payable on short term loan	0.64
Security Deposit	166.50
Others	
Project Creditors (Refer note 53)	1,111.73
Employee's Dues **	229.90
Payable for Expenses	670.10
Total	53,758.61

*Include Interest accrued and due on Term Loans aggregating to Rupees 51,579.74 lakhs recalled by banks and
**Include Full and Final settlement of Rupees 105.55 lakhs.

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

(Rupees in lakhs)

Particulars	March 31, 2022		
	Banks	Others	Period of Default
Interest accrued & due on borrowing	965.05	-	2013-14
	740.00	-	2014-15
	1,035.94	-	2015-16
	1,287.23	-	2016-17
	1,512.65	252.91	2017-18
	2,423.96	4,700.96	2018-19
	2,190.26	13,694.06	2019-20
	2,591.68	5,393.96	2020-21
	2,800.77	11,990.30	2021-22
Total	15,547.54	36,032.19	

26 OTHER CURRENT LIABILITIES

(Rupees in lakhs)

Particulars	As at March 31, 2022
Current	
Government Grants (Refer Note 26.1)	35.07
Others	
Statutory Liabilities*	889.64
Interest on Delayed payment of Statutory dues	856.28
Total	1,780.99

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

26.1 GOVERNMENT GRANTS

(Rupees in lakhs)

Particulars	As at March 31, 2022
Opening balance	132.89
Grants received during the year	-
Released to statement of profit and loss	(35.08)
Closing balance	97.81
Current	35.07
Non Current	62.74

27 CURRENT LIABILITIES - PROVISIONS

(Rupees in lakhs)

Particulars	As at March 31, 2022
Current	
Provision for employee benefits	
Leave encashment (Refer Note 38)	4.79
Total	4.79

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28 REVENUE FROM OPERATIONS (Rupees in lakhs)

Particulars	Year ended March 31, 2022
Handling Income	30.20
Terminal Income	279.35
Other operating Income	468.43
Rent Income	50.15
Total	828.13

29 OTHER INCOME (Rupees in lakhs)

Particulars	Year ended March 31, 2022
Interest income on Financial assets carried at amortised cost	
Unwinding of interest on Security deposit	0.14
Other interest income	
Interest on Bank fixed deposits	7.94
Interest income on income tax refund	6.90
Interest on Loan to others	23.11
Other income	
Government Grants	35.07
Gain on modification of Lease liability	4.78
Sundry Balance/ Excess provision Written Back	258.36
Excess provision Written Back-ECL	26.64
Rent concession	4.38
Miscellaneous Income	50.05
Total	417.37

30 COST OF OPERATIONS (Rupees in lakhs)

Particulars	Year ended March 31, 2022
Road Freight Expenses	0.41
Other operating expenses	47.56
Total	47.97

31 EMPLOYEE BENEFITS EXPENSE (Rupees in lakhs)

Particulars	Year ended March 31, 2022
Salaries, wages and bonus	586.54
Contribution to provident and other funds	20.98
Staff welfare expenses	10.14
Total	617.66

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32 FINANCE COST (Rupees in lakhs)

Particulars	Year ended March 31, 2022
Interest expense on Financial liabilities measured at amortised cost	
Interest expense on borrowings	15,205.39
Interest expense on Security Deposit	2.28
Interest expense others	
Interest on Delayed Payment of Statutory Dues	129.12
Interest expenses on MSMED creditor	4.94
Other borrowing costs	
Guarantee Commission Expense	306.28
Interest on Lease Liability	4.88
Finance cost on Amortisation of Liability Component	114.80
Bank charges	0.95
Total	**15,768.64**

33 DEPRECIATION AND AMORTISATION EXPENSES (Rupees in lakhs)

Particulars	Year ended March 31, 2022
Depreciation on tangible assets	3,619.78
Amortisation on intangible assets	327.89
Depreciation on assets to used	95.19
Total	**4,042.86**

34 OTHER EXPENSES (Rupees in lakhs)

Particulars	Year ended March 31, 2022
Repairs and maintenance	
- Building	5.68
- Others	68.36
Advertisement	4.69
Payments to Auditors (Refer note below)	15.34
Electricity charges	61.65
Insurance	8.51
Legal and professional fees	108.62
Rates and taxes	3.97
Rent	102.27
Printing and Stationary	6.09
Office Expenses	9.44
Security charges	112.83
Telephone and internet expenses	11.77
Travelling & conveyance expenses	22.10
Vehicle Expenses	27.76
Allowance for doubtful debts and advances	7.20
Miscellaneous expenses	122.24
Loss on sale of intangible assets	530.20
Total	**1,228.72**

(a) Details of Payments to auditors (Rupees in lakhs)

Particulars	Year ended March 31, 2022
As Statutory Auditor	
Audit Fee	15.34
Total	**15.34**

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35 **Earnings per share (Basic and Diluted)**

Particulars	As at March 31, 2022
Profit available to equity shareholders	
Profit/(Loss) after tax (A) (Rupees in Lakhs)	(20,460.36)
Add: Interest adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	114.80
Total Profit/ (Loss) for the year for diluted EPS (Rupees in Lakhs)	(20,345.56)
Number of equity shares	
Weighted average number of equity shares outstanding (Basic) (B)**	13,11,37,958
Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	1,20,000
Total Weighted average number of equity shares /OCRPS (Diluted) (C)	13,12,57,958
Nominal Value of an equity share (Rupees)	10
Basic & Diluted earnings per share(A/B) (Rupees)	(15.59)

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

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

i) **Capital Commitments**

(Rupees in lakhs)

Particulars	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid)	1,528.14

Cash outflow expected on execution on such capital contracts

(ii) **Contingent liabilities:**

(Rupees in lakhs)

Particulars	As at March 31, 2022
(a) 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
(b) Bank Guarantee	100.00
(c) Claims Against the Company not acknowledged as Debt	23.39
(d) Collector of stamps	858.04
No Cash outflow is expected in near future	

37 **LEASES**

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

(Rupees in lakhs)

Particulars	As at March 31, 2022
Opening Balance	142.39
Additions recognised on implementation of Ind AS 116 (transition date)	-
Modifications during the year	(36.22)
Less: Depreciation charge for the year	(95.19)
Closing Balance	**10.98**

(ii) **Movment of Lease liabilities**

(Rupees in lakhs)

Particulars	As at March 31, 2022
Opening Balance	168.56
Additions during the year	-
Modifications during the year	(36.22)
Add: Interest expenses on unwinding lease liabilities	4.88
Less: Gain on modification of lease liability	(4.78)
Less: Rent concession	(4.38)
Less: Payment of lease liabilities	(114.02)
Balance as at 31st March 2022	**14.04**

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(iii) **Maturity analysis of lease liabilities on undiscounted basis and breakup of lease liabilities included in the Balance Sheet**

Particulars	**As at March 31, 2022**
Future Non-Cancellable minimum lease commitments	
Within one year	14.04
More than one year but not less than five years	-
More than five years	-
Total undiscounted lease liabilities	**14.04**
Lease liabilities included in the Balance sheet	
Current Lease liabilities	14.04
Non-current Lease liabilities	-
Total	**14.04**

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:

(Rupees in lakhs)

Particulars	**As at March 31, 2022**
Employer's Contribution to Provident Fund	3.99
Employer's Contribution to Pension Scheme	9.07
Employer's Contribution to ESIC	0.08

(b) Brief descriptions of the plans

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

(c) Leave Obligations

(Rupees in lakhs)

Particulars	**March 31, 2022**
Provisions for Leave encashment	
Current	4.79
Non-Current	16.74
Total	**21.53**

(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 sepearately to build up to final obligation.

(Rupees in lakhs)

Particulars	**March 31, 2022**
I. Actuarial assumptions	
Mortality Table	Indian Assured lives Mortality (2012-14) Ult
Discount rate	6.10%
Expected return on plan assets	5.60%
Salary Escalation Rate	5.00%
Withdrawal Rate	20.00%
Retirement Age	58 Years
II. Change in Present value of defined benefit obligations	
Liability as at the beginning of the year	90.08
Interest cost	5.09
Current service cost	7.27
Benefits paid	(37.60)
Actuarial (gain)/loss on obligations	(2.60)
Acquisition adjustment	-
Liability as at the end of the year	62.24

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III. Change in Fair value of plan assets	
Fair value of plan assets as at the beginning of the year	80.02
Expected return on plan assets	4.52
Actual Enterprise's Contributions	-
Benefits paid	-
Actuarial gain/(loss) on plan assets	-
Fair value of plan assets as at the end of the year	84.54
IV. Actual return on plan assets	
Expected return on plan assets	4.52
Actuarial gain/(loss) on plan assets	-
Actual return on plan assets	4.52
V. Liability recognised in the Balance Sheet	
Liability as at the end of the year	62.24
Fair value of plan assets as at the end of the year	84.54
Liability/ (Asset) recognised in the Balance Sheet	(22.30)
VI. Percentage of each category of plan assets to total fair value of plan assets	
Insurer managed funds	100%
VII. Amount recognised in the Statement of Profit and Loss	
Current service cost	7.27
Interest cost	-
Expected return on plan assets	0.57
Net actuarial (gain)/loss to be on obligation	-
Expense/ (Income) recognised in Statement of Profit and Loss	7.84
VIII. Amount recognised in the Other Comprehensive Income (OCI)	
Due to Change in financial assumptions	(1.27)
Due to Change in demographic assumption	0.07
Due to Change in experience assumption	(1.40)
Expected return on plan assets	-
Change in Asset Ceiling	-
Total remasurement recognised in OCI	(2.60)
IX. Balance Sheet reconciliation	
Opening net liability	10.06
Expenses recognised in Profit & Loss	7.84
Actual Employer Contribution	(37.60)
Total Remeasurement recognised in OCI	(2.60)
Acquisition adjustment	-
Closing net liability	(22.30)

(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, 2022		
Salary growth rate	+0.50%	63.60
	-0.50%	60.92
Discount rate	+0.50%	60.94
	-0.50%	63.59

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In pratice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity anaysis, 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.

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(C) Salary risk - The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, as increase in the salary of the plan participants will increase the plan's liability.

(D) Liquidity risk - This is the risk that the Company is not able able to meet the short - term gratuity payouts. This may rise due to non availability of enough cash / cash equivelant to meet the liabilities or holding of illiquid assets not being sold in time.

38.3 The weighted average duration of the defined benefit obligation at the end of the reporting period is 4 years.

(Rupees in lakhs)

Expected cash flows over the next (valued on undiscounted basis)	Amount
1st Year	13.40
2nd Year	11.46
3rd Year	9.67
4th Year	8.29
5th Year	7.01
6 to 10 year	22.73

39 Disclosure pursuant to Indain Accounting Standard 108 - Operating Segment

39.1 Primary Segment Information

The Group operates in three primary reportable business segments, i.e. "Rail & Inland Container Depot" and "Domestic Warehousing Zone" and " Free Trade Warehousing Zone (FTWZ) and one geographical segment i.e. India as per accounting standard 108 - " Segment Reporting".

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.

39.4 Segmental Information as at and for the year ended 31st March, 2022 is as follows:-

(Rupees in lakhs)

Particulars	Year Ended 31st March 2022
Segment Revenue	
Rail & ICD	312.13
Domestic Warehouse	516.01
FTWZ	-
Less: Inter Segment	-
Total Revenue from Operations	**828.14**
Segment Results Before Tax and Interest	
Rail & ICD	(3,713.94)
Domestice Warehouse	(976.61)
FTWZ	(0.46)
Total Segment Result	**(4,691.01)**
Less: Unallocated Expenses net of Income	0.75
Less: Finance Costs	15,768.64
Less: Exceptional Items (Net)	-
Loss before tax	**(20,460.40)**
Less: Tax Expenses	-
Loss after tax	**(20,460.40)**
Segment Assets	
Rail & ICD	53,817.32
Domestic Warehouse	37,292.29
FTWZ	3,835.67
Unallocated	2,671.05
Total	**97,616.33**

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Segment Liabilities	
Rail & ICD	4,594.78
Domestic Warehouse	129.13
FTWZ	3,886.31
Unallocated	1,20,509.64
Total	**1,29,119.86**
Other Disclosures	
Capital Expenditure	
Rail & ICD	0.44
Domestic Warehouse	-
FTWZ	-
Unallocated	-
Total	**0.44**
Depreciation and amortisation expenses	
Rail & ICD	2,655.06
Domestic Warehouse	1,387.81
FTWZ	-
Unallocated	-
Total	**4,042.87**
Non-cash Expenditure	
Rail & ICD	7.20
Domestic Warehouse	-
FTWZ	-
Unallocated	-
Total	**7.20**

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

There are 4 customers aggregating to Rupees 758.93 lakhs of Revenue.

40 To the extent,the group 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

(Rupees in lakhs)

Particulars	**For the year March 31, 2022**
(i) Principal amount remaining unpaid	72.83
(ii) Interest due thereon remaining unpaid	4.94
(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)	4.94
(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.	-

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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	Mr. Ajay S. Mittal - Director Mr. Navnit Choudhary - Director Mr. Sarvothama Shetty - Chief Executive Officer (w.e.f. June 27, 2020) Mr. Lalan Thakur - Chief Financial Officer (w.e.f. August 13, 2021 till August 30, 2022) Mr. Rama Devadiga - Chief Financial Officer (w.e.f. August 25, 2020 till February 11, 2021) Mr. Vinod Parekh - Director (till May 31, 2021) Mr. Ashutosh Sharma - Director 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)		
2	Arshiya Limited Arshiya Northern Projects Private Limited Arshiya Northern FTWZ Limited Arshiya Logistics Services Limited Rudradev Properties Private Limited	Controlled or jointly controlled entities		India
3	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, 2022
Arshiya Limited	Loans taken	1,795.77
	Loan repayments**	(571.14)
	Allocation of cost and common expenses by Holding Company*	122.44
	Financial Guarantees	(306.28)
Rudradev Properties Private Limited	Interest expense	(0.61)
Arshiya Limited	Lease rent income	5.00
Arshiya Limited	Interest expense on borrowings	50.23
Arshiya Northern FTWZ Limited	Reimbursement of Expenses	(7.55)
Arshiya Northern FTWZ Limited	Loan Given	23.12
	Loan repayments	(9.82)
Arshiya Limited	Assignment of Loan given**	2,432.09
Arshiya Limited	Interest payable	50.23
Ananya Mittal	Salary Paid	24.50

* During the year, the erstwhile Holding Company has allocated certain common cost and expenses incurred by it, to the company aggregating to Rupees 122.44 lakhs based on erstwhile 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.

** During the year ended 31st March, 2022, loan given to Arshiya Limited is assigned to AMD Business Support Services Private Limited which is 100% wholly own subsidiary of the parent company through assignment agreement.

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(iii) Closing Balances

(Rupees in lakhs)

Name	March 31, 2022
Loans from related parties	
Arshiya Limited	1,404.33
Rudradev Properties Private Limited	4.99
Loan to related parties	
Arshiya Northern FTWZ Limited	5.75
Financial Guarantee	
Arshiya Limited	309.98
Personal Guarantee (Liability Jointly & Severally) taken	
Ajay S Mittal	93,471.00
Archana A Mittal	93,471.00
Corporate Guarantee taken	
Arshiya Limited	75,436.69
Corporate Guarantee given	
Arshiya Limited	600.00

(iv) Key managerial personnel compensation

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

(Rupees in lakhs)

Particulars	March 31, 2022
Short term employee benefits	0.77
Total	**0.77**

Mr. Lalan Thakur - Chief Financial Officer (w.e.f. August 13, 2021 till August 30th, 2022))

(Rupees in lakhs)

Particulars	March 31, 2022
Short term employee benefits	9.56
Total	**9.56**

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42 FAIR VALUE MEASUREMENTS

(i) Financial Instruments by Category

(Rupees in lakhs)

Particulars	Carrying Amount March 31, 2022	Fair Value March 31, 2022
FINANCIAL ASSETS		
Amortised cost		
Trade Receivables	28.15	28.15
Cash and Cash Equivalents	17.95	17.95
Loans	231.12	231.12
Security Deposits	81.28	81.28
Other Bank Balances	103.37	103.37
Financial Guarantee	309.98	309.98
Total	**771.85**	**771.85**

Particulars	Carrying Amount March 31, 2022	Fair Value March 31, 2022
FINANCIAL LIABILITIES		
Amortised cost		
Borrowings	70,322.38	70,322.38
Trade Payables	678.21	678.21
Other financial liabilities	53,808.84	53,808.84
Lease Liabilities	14.04	14.04
Total	**1,24,823.47**	**1,24,823.47**

(ii) Fair Valuation techniques used to determine fair value

The Group 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:

(a) The Group 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.

(b) 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.

(c) 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 determing fair value, the group has classified its financial instruments into three levels prescribed under the accounting standard.

(a) **Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices.

(b) **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.

(c) **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.

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43 **Financial Risk Management**

The Group'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 Group's operations. The Group's financial assets comprises of trade and other receivables, cash and deposits that arises directly from its operations.

The Group's activities expose it to variety of financial risks including credit risk, liquidity risk and market risk. The Group's risks management assessment, management and processes are established to identify and analyze the risks faced by the group 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 group'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 erstwhile parent company
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Unhedged

The Group's risk management is carried out by a corporate finance team 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 Group is exposed to credit risk, which is risk that counterparty will default on its contractual obligation resulting in a financial loss to the group. 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 group through continuously monitoring the creditworthiness of customers to which the group 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 Group uses expected credit loss model to assess the impairment loss or gain.

(B) Liquidity risk

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

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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, 2022			
Borrowings	67,938.12	-	-
OCRPS (Debt and Equity component)	1,200.00	-	-
Trade payables	678.21	-	-
Other financial liabilities	53,758.61	-	-
Lease liability	14.04		
Total Financial liabilities	**1,23,588.98**	-	-

(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 group 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 Group's main interest rate risk arises from long term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During the 31st March, 2022 the Group's borrowings at the variable rate were mainly denominated in Rupees.

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

(Rupees in lakhs)

Particulars	March 31, 2022
Variable rate borrowings	4.35

Interest sensitivity

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

Particulars	Impact on profit before tax
	March 31, 2022
Interest sensitivity	
50 bps increase the profit before tax by*	(0.02)
50 bps decrease the profit before tax by*	0.02
* Holding all other variable constant	

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44 CAPITAL MANAGEMENT

For the group's objective when managing capital is to safeguard the group'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 group.

The group 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 group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using a Debt equity ratio.

(Rupees in lakhs)

Particulars	March 31, 2022
Borrowings	70,322.38
Other Financial Liabilities (interest accrued)	51,630.62
Total Debt	**1,21,953.00**
Equity	2,622.76
Other equity	(34,126.29)
Total Equity	**(31,503.53)**
Total debt to equity ratio (Gearing ratio)	**(3.87)**

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 group is required to comply with following financial covenants:-

Without prior approval of lender, the group shall not:

(a) **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.

(b) **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.

(c) **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.

(e) **Assignment** - assign or transfer of any of its right and obligations to any third party.

(d) **Related Party Transactions** - enter into any related party transactions for an amount exceeding Rs. 10 lakhs (Rupees Ten Lakhs only) per month, subject to business structure as explained to and agreed by the Lender.

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.

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45 **Information required for Consolidated Financial Statement pursuant to Schedule III of the Companies Act. 2013**

S. No.	Name of the subsidiary	FY 2021-22					
		Total Equity		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Total Equity	Rs. in Lakh	As % of Consolidated Other Comprehensive Income	Rs. in Lakh	As % of Consolidated Total Comprehensive Income	Rs. in Lakh
I	**Parent Indian:**						
1	Arshiya Rail Infrastructure Limited	99.84%	(31,452.90)	100.00%	2.60	99.75%	(20,407.13)
II	**Subsidiaries Indian:**						
2	AMD Business Support Services Private Limited	0.16%	(51.60)	-	-	0.25%	(50.67)
	Consolidation Adjustments/Eliminiations*	(0.00%)	0.97	-	-	-	0.04
	Total	100.00%	**(31,503.53)**	100.00%	**2.60**	100.00%	**(20,457.76)**

* The above figures for the Parent Company and subsidaries are presented before intercompany eliminations and consolidation adjustments in order to conform to the respective financial statements of the Parent Company and Subsidiaries.

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46 Taxation

i) **Tax Reconciliation**

(Rupees in lakhs)

Particulars	As at March 31, 2022
Reconciliation of tax expense	
Loss before tax	(20,460.36)
Enacted income tax rate (%) applicable to the group #	26%
Tax expenses calculated at enacted income tax rate	(5,319.69)
Related to Property plant & equipment	415.71
Effect of Expenses that are not deductible in determining taxable profit	4,241.01
Effect of Incomes that are not allowable in determining taxable profit	(317.63)
Tax Losses	980.60

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

ii) The group has not recognised any deferred tax assets on deductible temporary differences, unused tax losses as it is not probable that the group 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	-		2,133.42
2013-2014	-		3,039.67
2014-2015	19,833.51	2022-2023	12,483.27
2015-2016	828.31	2023-2024	10,794.45
2016-2017	2,689.48	2024-2025	8,100.32
2017-2018	23,529.43	2025-2026	7,866.82
2018-2019	-	2026-2027	6,894.83
2019-2020	-	2027-2028	5,865.90
2020-2021	29.82	2028-2029	5,319.96
2021-2022	1,397.32	2029-2030	2,846.35
2022-2023	462.50	2030-2031	2,443.98
Total	**48,770.37**		**67,788.97**

Assessment Year	Long term Capital Loss	Available for utilisation till Assessment Year
2016-17	369.21	2024-2025
Total	**369.21**	

Unused deferred tax assets as at March 31, 2022 Rupees (29,360.76) 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 group.

Details of Deferred tax assets are mentioned below:-

(Rupees in lakhs)

Particulars	As at March 31, 2022
Property plant equipment	7,437.24
Unabsorbed depreciation	(18,858.89)
Expense allowable on payments under section 43B and 40(a)(ia)	(4,232.14)
Unabsorbed loss	(13,650.09)
Financial Instruments	(56.88)
Total Deferred Tax Assets	**(29,360.76)**

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47 Preparation of financial statements on " Going Concern" basis

The Parent Company has incurred net loss of Rupees (20,409.72) Lakhs during the year ended March 31, 2022 and as of that date, the parent company's current liabilities exceeded by its current assets by Rupees (1,20,622.14) lakhs. Some of its lenders have recalled their loans and the parent 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 parent 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. The commencement of work on the proposed Jewar Airport which is in close proximity to Khurja will also boost the parent 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 promising.

The parent company is also working with all its lenders on re-alignment of existing debt of the parent company. The parent company has received letters for Settlement of Debt from major lenders to reduce debt at sustainable level. Hence the parent company is optimistic that the proposed re-alignment of debt with Lenders will improve overall cash flows of the parent company.

The management of the parent 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 Focus on reduction of empty haulage / return business in different sectors to increase in revenue and margins.
iii Increased focus on Khurja as a distribution hub post GST implementation
iv Government focus on Multi-modal logistic and transport services to increase the throughput of the infrastructure already created by the parent company;
v Government focus on the revamping of the Railway Boards and increasing clarity on regulatory aspects to support resolution of the regulatory issues;
vi Two Dedicated Freight Corridor(s) (DFC) along the Western and Eastern part of India to support increase in the business volume.
vii 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 parent company to improve parent company's Net worth and its ability to discharge its debts/liabilities in near future and accordingly the financials have been prepared on going concern basis.

48 As per debt covenant, the Parent 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 parent company. No such notice of conversion in writing has been given by EARC and the parent company continues to disclose the amount as current in the Balance Sheet.

49 (i) Upon signing of Restructuring Agreement with Edelweiss Assets Reconstruction Company Limited (EARC) on 31st March 2017, the Parent 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 for the year ended 31st March 2021 amounting to Rs. 2,069.29 Lakh and for the year ended 31st March 2022 amounting to Rs. 3,080.01 Lakh . In aggregate penal interest provisions are lower by Rs. 5,831.21 Lakh till 31st March 2022.

(ii) The Parent Company had received Settlement of Debt letter dated 4th March, 2022 (Settlement) from Edelweiss Assets Reconstruction Company Limited (EARC) with cut- off date as on 30th September, 2021. Since the parent company is unable to comply with the conditions of the Settlement it has requested EARC to revise the structure of debt resolution and submitted various proposals to EARC. Pending evaluation and discussions on these proposals, EARC has revoked the Settlement. In light of the ongoing discussion with EARC the parent company continues to account the penal interest as earlier and no accounting effects of the said settlement of debt letter is considered necessary by the parent company for the year ended 31st March, 2022.

50 The Parent 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 parent company has defaulted in payment as per the terms of the OTS. As a result, the parent 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 parent company is in discussion with the lender for additional time to repay.
The parent company has not reversed the gain, nor provided for additional interest. Had the parent 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. 12,493.43 Lakhs having consequential impact on total comprehensive income for the year ended 31st March, 2022.

51 The parent company has procured certain capital goods under EPCG scheme at concessional rate of duty. On non fulfillment of certain conditions, the parent 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 during the year March 2020.The management is hopeful of completing the expected obligation within the stipulated time for balance 1 EPCG license.

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52 The parent company has requested all its lenders for independent confirmation of their outstanding as on 31st March 2022 with a request to confirm their balances directly to the statutory auditors. The parent company is confident that there will not be significant changes in its liabilities.

53 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.

54 i) Corporation Bank has filed a suit with Debt Recovery Tribunal, New Delhi, towards recovery of loan against the parent company and Arshiya Limited as a Corporate Guarantor and two promoter directors of the erstwhile 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 parent company for recovery of dues at NCLT under Insolvency and Bankruptcy Code, 2016. The matter is pending for pre-admission stage. Next date is in this matter 16.09.2022

ii) Bank of India has filed a suit with Debt Recovery Tribunal II, Delhi, towards recovery of loan against the Parent Company and Arshiya Limited as a Corporate Guarantor and two promoter directors of the AL as Guarantors. The same is pending before the DRT II Delhi. The matter is sub-judice. Matter to be listed on 03.10.2022 for completion of evidence by both parties.

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

55 i) As per Provisions of sub section 1 of Section 203 of Companies Act, 2013 (w.e.f. 1st April,2014) the parent company is required to appoint a Company Secretary. However, the parent company is in the process of identifying a suitable candidate for this role.
ii) As per Provisions of sub section 1 of Section 203 of Companies Act, 2013 (w.e.f. 1st April,2014) the parent company is required to appoint a Chief Financial Officer (CFO). However, the parent company is in the process of identifying a suitable candidate for this role.

56 The group 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:

(Rupees in lakhs)

Geography	**For the year ended 31st March 2022**
In India	828.13
Outside India	-

Revenue disaggregation by timing of revenue recognition is as follows:

(Rupees in lakhs)

Geography	**For the year ended 31st March 2022**
Goods transferred at a point in time	-
Service transferred over time	828.13

57 (i) Punjab National Bank (lead Bank), on behalf of Certain Consortium Banks, has initiated debt recovery action under Section 13(2) of Securitization & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) (ACT) vide notice dated 19th October, 2015 aggregating to Rupees 58,657.51 lakhs (reduced to Rupees 29,369.94 lakhs after the Restructuring Agreement is signed with EARC on 31st March,2017). The bank has also invoked the Corporate Guarantee issued by Arshiya Limited and Personal Guarantees of Directors i.e. Mr. Ajay S. Mittal and Mrs. Archana A. Mittal. Further on 19th January 2016, the parent company received a notice of Possession from the authorised officer of the bank under Power Conferred on the bank u/s 13(4) of the said Act read with Rule 8 (i) of the Rules. The said loan has been assigned by Punjab National Bank to EARC & further EARC has filed an application for withdrawal for the same.

(ii) Edelweiss Asset Reconstruction Company (EARC), has initiated action under Section 13(2) of Securitization & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) (ACT) against the borrower Arshiya Rail Infrastructure Limited invoked Corporate Guarantee provided by Arshiya Limited and personal guarantee by Mr. Ajay Mittal and Mrs. Archana Mittal. The parent company received a notice of Possession of the assets mentioned in the SARFAESI Notice under power conferred from the banks mentioned in the Notice u/s 13(4) of the said Act read with Rule 8 (i) of the Rules. These notices contain higher demand of outstanding dues. Management believes that there will not be any further liabilities to pay in excess of the amount outstanding in the books of accounts.

58 Business Combinations

58.1 During the year ended 31st March 2022, Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) has approved the Scheme of Arrangement (Scheme) vide it's order dated 21st January 2022. The Scheme became effective from 2nd February 2022. The Appointed date of the said scheme is 1st April 2019. Pursuant to Scheme:

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(i) Domestic Business of the erstwhile Parent Company i.e. Arshiya Limited ("AL") comprising of 43.23 acre of land situated at Khurja and other assets and liabilities pertaining to domestic business has been demerged from AL into Resulting company i.e. the Parent Company. All assets and liabilities of the demerged undertakings have been recognised at their respective carrying values and the net differential amount of Rs. 7,561.85 lakh is shown under Capital Reserve.

(Rupees in lakhs)

Particulars	As at 1st April, 2019
Assets	
Property, Plant and Equipment	7,499.35
Trade Receivables	64.72
Total Assets (A)	**7,564.07**
Liabilities	
Other Current Liabilities	2.22
Total Liabilities (B)	**2.22**
Net assets transferred (A-B=C)	**7,561.85**

(ii) Inter-group balances (borrowing) of Rs. 16,561.21 Lakh held by AL in the parent company stand cancelled and adjusted in Capital Reserve.

(iii) The parent company is ceased to be subsidiary of AL.

(iv) 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.

(v) Accumulated balances (losses) in retained earnings of Rs. 87,898.46 Lakh as on the appointed date are utilised against the securities premium account of the parent company, resulting in retained earnings reduced to NIL as on the appointed date.

(vi) The authorised share capital is reclassified from Equity shares of face value of Rs. 10 each into corresponding number of Equity shares of Face value of Rs. 2 each.

(vii) Upon the scheme becoming effective and cancellation of the shares held by AL in the parent company, The parent company shall debit its equity share capital account , the aggregate face value of existing equity shares held by AL, which stand cancelled hereof. In consideration of the demerger, for every 2 (two) fully paid-up equity shares of AL, the parent company shall issue and allot to each member of AL as on the record date i.e. 4th March 2022, 1 (one) fully paid-up equity share of the Rs. 2/- each of the parent company. These equity shares of the parent company are proposed to be listed, on the stock exchanges where the equity shares of the erstwhile parent company are listed, on receipt of regulatory approvals.

(viii) Reconciliation of securities Premium and Retained Earnings as at 1st April, 2019:

(Rupees in lakhs)

Particulars	Securities	Retained	Capital Reserve
Balance as on 31st March 2019 before restatement	**87,898.46**	**(97,615.55)**	-
Add: Land transferred under demerger scheme	-	-	7,499.35
Add: Other assets and liabilities of Domestics Warehousing Division (net)	-	-	62.50
Add: Written back of borrowings from Arshiya Limited	-	-	16,561.21
Add: Cancellation of investment by Arshiya Limited	-	-	5,967.16
Add: Deemed Equity of Arshiya Limited	-	-	3,214.71
Less: New Shares to be issued	-	-	(2,622.76)
Less/Add: Adjustment as per Demerger Scheme	(87,898.46)	87,898.46	-
Balance as on 1st April 2019 after restatement	-	**(9,717.09)**	**30,682.17**

58.2 Post NCLT order dated 21st January,2022, one of the lenders of AL has appealed against the said order at the Hon'ble National Company Law Appellate Tribunal (NCLAT). Pursuant to on order dated 4th March 2022, NCLAT has ordered to maintain 'status quo' in the matter and hence the matter is now 'sub - judice'. AL has appealed for setting aside the said order of 4th March 2022 and requested the NCLAT to allow AL to complete the formalities such as allotment procedures of the demerger and listing of the shares of the parent company. As the scheme is in the interest of stakeholders of both the companies, AL and the parent company shall be pursuing the appeal. Based on legal opinion obtained, the parent company has prepared the financial statements for the year ended 31st March 2022 after giving accounting effects of scheme as per the NCLT order.

59 The group do not have any transactions and balances with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

60 The Group has made a detailed assessment and the recoverability and carrying value of its assets, as at 31st March 2022, comprising investments and trade receivables. Based on current indicators of future economic conditions, the group expects to recover the carrying amount of these assets. The group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

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61 No proceeding has been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

62 The group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

63 The group does not have any pending creation of charges or satisfaction of charges which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period except in one of the case, the group has signed the documents for loan facilities of Rs. 600.00 Lakhs from a NBFC but not drawn said loan. The satisfaction of charges will be filed upon receipt of require documents from a NBFC.

64 The group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

65 The group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall :

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

66 The group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

67 The Parent Company and Subsidiary company has not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

68 The Parent Company and Subsidiary Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

69 Utilisation of borrowed funds as on March 31, 2022, there is no unutilised amounts in respect of any issue of securities and long term borrowings from banks and financial institutions. The borrowed funds have been utilised for the specific purpose for which the funds were raised.

70 The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable.

71 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.

Notes to the financial statements 1-71

As per our Report of even date

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

Vijay Napawaliya
Partner
Membership Number. 109859

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

Ajay S Mittal
Director
DIN : 00226355

Navnit Choudhary
Director
DIN : 00613576

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Place : Mumbai
Date: 31st August, 2022

Arshiya Rail Infrastructure Limited

Annexure to the Consolidated Financial Statements

Statement containing the salient features of the financial statements of subsidiaries / associates companies / joint ventures

[Pursuant to first proviso to sub-section (3) of section 129 of the companies Act, 2013, read with rule 5 of the companies (Accounts) Rules, 2014 - AOC-1]

(Rs. in Lakh)

1	AMD Business Support Services Private Limited	31st March, 2022	INR	1.00	(52.60)	3,835.87		3,887.28	-	-	(50.67)	-	(50.67)	100%

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