



INDEPENDENT AUDITORS' REPORT

To the Members of

NCR Rail Infrastructure Limited (Formerly known as Arshiya Rail Infrastructure Limited)

Report on the Audit of Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Financial Statements of **NCR Rail Infrastructure Limited (Formerly known as Arshiya Rail Infrastructure Limited) ('the Company')**, which comprise the Balance Sheet as at 31st March 2023, 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 2023, 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. 49 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 / year's 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. 5,831.21 Lakh till the year ended 31st March 2022 and for year ended 31st March 2023 amounting to Rs. 4,015.62 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. 9,846.83 Lakh till 31st March 2023. Had interest been recognised at its documented rate, finance cost for the year ended 31st March 2023 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 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 2022 Rs. 12,493.43 Lakh and for the year ended 31st March, 2023 Rs. 4,254.16 Lakh, aggregating to Rs. 16,747.59 Lakh till 31st March, 2023. 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. 16,747.59 Lakh by equivalent amount as mentioned above, having consequential impact on total comprehensive income and other equity.*

Office Address: J-103, Sonam Satlaj Co-Op. Hsg Ltd, New Golden Nest, Bhayander East, Mumbai - 401105

Ph: +91 90240 84240

Email: carakeshrathi22@gmail.com





- iii. We draw attention to the Note no. 52 of the financial statements, during the course of preparation of standalone financial statements for the year ended 31st March 2023, e-mails have been sent to lenders by the Company with a request to confirm their balances directly to us. As at 31st March 2023, direct balance confirmations of total borrowings including interest accrued (including current maturities and current borrowings), aggregating to Rs. 1,36,783.69 Lakh have not been received. We are unable to obtain sufficient appropriate audit evidence about these borrowings (including interest) outstanding as at 31st March 2023. 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 2023 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. 47 of the Financial Statements, the Company incurring losses and its net worth as at 31st March, 2023 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 its sizable movable assets under rail operations has been disposed off by lenders, the Company is evaluating various options to utilize optimally its 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.





Rakesh Rathi & Associates

Chartered Accountants



Taxation – Audit – Advisory - Strategic Cost Management
Business Automation

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. 59 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 its 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. 53 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, 2023, balance confirmation of capital advance amounting to Rs. 1,285.75 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.

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

Office Address: J-103, Sonam Satlaj Co-Op. Hsg Ltd, New Golden Nest, Bhayander East, Mumbai - 401105

Ph: +91 90240 84240

Email: carakeshrathi22@gmail.com





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.





- 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;





Rakesh Rathi & Associates

Chartered Accountants



Taxation – Audit – Advisory - Strategic Cost Management
Business Automation

- e. On the basis of the written representations received from the directors of the Company as on 31st March, 2023 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
- 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;

Office Address: J-103, Sonam Satlaj Co-Op. Hsg Ltd, New Golden Nest, Bhayander East, Mumbai - 401105

Ph: +91 90240 84240

Email: carakeshrathi22@gmail.com





Rakesh Rathi & Associates

Chartered Accountants

Taxation – Audit–Advisory - Strategic Cost Management
Business Automation



(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 CA Rakesh Rathi & Associates
Firm Registration No. 154056W

CA Rakesh Kumar Rathi
Proprietor
Membership No. 198185
UDIN: 23198185BGYQPO2350



Place: Mumbai
Date: 29th September, 2023

Office Address: J-103, Sonam Satlaj Co-Op. Hsg Ltd, New Golden Nest, Bhayander East, Mumbai - 401105

Ph: +91 90240 84240

Email: carakeshrathi22@gmail.com



“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF NCR RAIL INFRASTRUCTURE LIMITED (FORMERLY KNOWN AS 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 2023)

(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	7,226.74	Arshiya Limited	No	1/4/2019	By virtue of NCLAT ordered dated 4 th March 2022, to maintain the status quo against NCLT Order dated 21 st January 2022 for Demerger.

- 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.





Rakesh Rathi & Associates

Chartered Accountants



Taxation – Audit – Advisory - Strategic Cost Management
Business Automation

- (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 Lakhs)	
	Guarantees	Loans
Balance outstanding as at balance sheet date in respect of above cases		
- Others	-	182.89
- Related Parties	550.00	7,188.75

- 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.

Office Address: J-103, Sonam Satlaj Co-Op. Hsg Ltd, New Golden Nest, Bhayander East, Mumbai - 401105

Ph: +91 90240 84240

Email: carakeshrathi22@gmail.com





- (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.
- (v) 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.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of rail operations. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) 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, 2023 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	23.46	Current and previous financial years	Various due date of current and previous financial years	Not yet paid
	Interest on Service tax	48.77			
Income Tax Act, 1961	TDS	209.24	Current and previous financial years	Various due date of current and previous financial years	Not yet paid
	Interest on TDS	308.92			

- 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.
- (viii) 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.





- (ix) 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:-

Nature of borrowing and Name of the lender	Amount of continuing default as on 31st March, 2023 ((Rs. In Lakhs)		No. of days delay (Days)
	Principal	Interest	
Edelweiss Asset Reconstruction Company Limited- through Various trust	-	252.91	1827-2101
	-	4,070.92	1462-1736
	3,630.33	12,919.82	1096-1371
	10,173.93	4,449.89	731-1096
	46,910.25	10,886.27	366-730
	-	12,382.17	1-365
Edelweiss Asset Reconstruction Company Limited - Short Term Priority Loan	3,000.00	630.04	1462-1736
	-	774.24	1097-1371
	-	944.07	731-1006
	-	1,104.03	366-640
	-	1,481.23	1-275
Corporation Bank	-	676.15	3288
	-	521.24	2923-3258
	1,549.10	725.71	2588-2922
	-	901.75	2192-2467
	-	1,059.67	1827-2101
	-	1,303.57	1462-1797
	-	1,459.54	1097-1432
	-	1,715.07	731-1067
	-	1,796.92	366-701
	-	2,106.45	1-366
Bank of India	1,834.00	-	1097-1432
	-	59.58	366-701
	-	191.65	1-365
Karur Vysya Bank Limited	-	288.90	3288
	-	218.76	2923-3258
	836.18	310.23	2558-2922
	-	385.48	2192-2467
	-	452.98	1827-2101
	-	1,120.39	1431-1797
	-	730.72	1097-1432
	-	876.60	731-1067
	-	944.29	366-701
	-	1,108.67	1-365
Total	67,933.79	68,849.91	





- 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. 1,37,566.84 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.
- (x) 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.
- (xi) 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.





- (xii) 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.
- (xiii) 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.
- (xiv) In our opinion the Company is required to have an internal audit system under Section 138 of the Act. Based on information and explanations provided to us the internal audit is under process as at the date of issue of this report and hence the report of the internal auditor is not produced before us for our review. Accordingly, we are unable to comment on the adequacy of internal audit for the size and nature of Company's business.
- (xv) 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.
- (xvi) 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.
- (xvii) 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 17,287.04 Lakhs and Rs. 16,3666.86 Lakhs respectively.
- (xviii) 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.
- (xix) 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.





Rakesh Rathi & Associates

Chartered Accountants



Taxation - Audit - Advisory - Strategic Cost Management
Business Automation

- (xx) 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 CA Rakesh Rathi & Associates
Firm Registration No. 154056W

Rakesh Kumar Rathi

CA Rakesh Kumar Rathi
Proprietor
Membership No. 198185
UDIN: 23198185BGYQPO2350



Place: Mumbai
Date: 29th September, 2023

Office Address: J-103, Sonam Satlaj Co-Op. Hsg Ltd, New Golden Nest, Bhayander East, Mumbai - 401105

Ph: +91 90240 84240

Email: carakeshrathi22@gmail.com



Rakesh Rathi & Associates

Chartered Accountants



Taxation – Audit – Advisory - Strategic Cost Management
Business Automation

"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 NCR Rail Infrastructure Limited (Formerly known as Arshiya Rail Infrastructure Limited) on the standalone financial statements for the year ended 31st March 2023.

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 NCR Rail Infrastructure Limited (formerly Known as Arshiya Rail Infrastructure Limited) ("the Company") as of 31st March, 2023 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.

Office Address: J-103, Sonam Satlaj Co-Op. Hsg Ltd, New Golden Nest, Bhayander East, Mumbai - 401105

Ph: +91 90240 84240

Email: carakeshrathi22@gmail.com





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.

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, 2023 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, 2023 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, 2023.

Office Address: J-103, Sonam Satlaj Co-Op. Hsg Ltd, New Golden Nest, Bhayander East, Mumbai - 401105

Ph: +91 90240 84240

Email: carakeshrathi22@gmail.com





Rakesh Rathi & Associates

Chartered Accountants

Taxation – Audit – Advisory – Strategic Cost Management

Business Automation



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, 2023, and these material weakness do not affect our opinion on the standalone financial statements of the Company.

For CA Rakesh Rathi & Associates
Firm Registration No. 154056W

CA Rakesh Kumar Rathi
Proprietor
Membership No. 198185
UDIN: 23198185BGYQPO2350



Place: Mumbai
Date: 29th September, 2023

Office Address: J-103, Sonam Satlaj Co-Op. Hsg Ltd, New Golden Nest, Bhayander East, Mumbai - 401105

Ph: +91 90240 84240

Email: carakeshrathi22@gmail.com

NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Balance Sheet as at March 31, 2023

(Rs. In Lakh)

Particulars	Notes	As At March 31, 2023	As At March 31, 2022
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5 A	85,474.96	88,947.25
(b) Right of use assets	5 B	83.38	10.98
(c) Intangible Assets	6	-	66.52
(d) Financial Assets			
(i) Investments	7	1.00	1.00
(e) Other Non-Current Assets	8	1,400.03	1,294.43
		86,959.37	90,320.18
Current assets			
(a) Financial Assets			
(i) Trade Receivables	9	57.33	28.15
(ii) Cash and Cash Equivalents	10	21.51	17.52
(iii) Bank Balances Other than (ii) above	11	101.43	103.37
(iv) Loans	12	7,371.64	2,663.21
(v) Other Financial Assets	13	172.03	522.30
(b) Other Current Assets	14	139.39	125.95
		7,863.33	3,460.50
TOTAL ASSETS		94,822.70	93,780.68
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	15	-	-
(b) Share capital suspense account	15	2,622.76	2,622.76
(c) Other Equity	16	(54,519.69)	(34,075.66)
		(51,896.93)	(31,452.90)
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	1,167.86	1,071.43
(ii) Lease Liabilities	18	71.22	-
(iii) Other Financial Liabilities	19	8.88	129.50
(b) Provisions	20	13.83	16.74
(c) Other Non-Current Liabilities	21	27.67	62.74
		1,289.46	1,280.41
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	67,938.13	67,846.62
(ii) Trade Payables	23		
(A) Total outstanding dues of Micro and Small Enterprises		95.81	72.83
(B) Total outstanding dues of creditors Other than Micro and Small Enterprises		644.00	605.40
(iii) Lease Liabilities	24	18.32	14.04
(iv) Other Financial Liabilities	25	71,452.00	53,628.50
(b) Other Current Liabilities	26	5,277.30	1,780.99
(c) Provisions	27	4.61	4.79
		1,45,430.17	1,23,953.17
TOTAL EQUITY & LIABILITIES		94,822.70	93,780.68

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

1-64

For CA Rakesh Rathi & Associates
Firm Registration Number 154056W

Rakesh Kumar Rathi

CA Rakesh Kumar Rathi
Proprietor
Membership Number: 198185

Place : Mumbai
Date: September 29, 2023



For and on behalf of the Board of Directors of
NCR Rail Infrastructure Limited

Ajay S Mittal

Ajay S Mittal
Director
DIN No.: 00226355

Navnit Choudhary

Navnit Choudhary
Director
DIN No.: 00613576



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Statement of Profit and Loss for the year ended March 31, 2023


(Rs. In Lakh)

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
INCOME			
Revenue from operations	28	928.71	828.13
Other income	29	1,055.32	364.56
Total Income (I)		1,984.03	1,192.69
EXPENSES			
Cost of operations	30	52.41	47.97
Employee benefits expenses	31	533.91	617.66
Finance costs	32	17,908.08	15,718.41
Depreciation and amortization expenses	33	3,156.93	4,042.86
Other expenses	34	776.67	1,175.52
Total Expenses (II)		22,428.00	21,602.41
Loss before tax (I-II)		(20,443.97)	(20,409.72)
Tax expense:	46		
Current tax		-	-
Deferred tax		-	-
Loss for the year		(20,443.97)	(20,409.72)
OTHER COMPREHENSIVE INCOME (OCI)			
Item not to be reclassified to profit and loss :			
Remeasurement of gains/ (losses) on defined benefit plans	38	(0.06)	2.60
Other Comprehensive income for the year		(0.06)	2.60
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(20,444.03)	(20,407.12)
Earnings per Equity shares (Face Value Rupees 10 each)	35		
Basic/ Diluted earnings per share (In Rupees)		(15.59)	(15.56)

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

1-64

For CA Rakesh Rathi & Associates
Firm Registration Number 154056W


CA Rakesh Kumar Rathi
Proprietor
Membership Number: 198185



Place : Mumbai
Date: September 29, 2023

**For and on behalf of the Board of Directors of
NCR Rail Infrastructure Limited**



Ajay S Mittal
Director
DIN No.: 00226355



Navnit Choudhary
Director
DIN No.: 00613576



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Statement of changes in Equity for the year ended March 31, 2023

A Equity Share Capital (Refer Note 15)

(Rs. In Lakh)	
Particulars	Amount
Equity Shares of Rupees 10 each issued, subscribed and paid up	
As at April 1, 2021	
Equity Shares	-
Issue/ cancel of equity share during the year	-
As at March 31, 2022	-
Equity Shares	-
Issue of equity share during the year	-
As at March 31, 2023	-

B Share Capital Suspense Account (Refer Note 15)

(Rs. In Lakh)	
Particulars	Amount
As at April 1, 2021	2,622.76
Movement during the year	-
As at March 31, 2022	2,622.76
Movement during the year	-
As at March 31, 2023	2,622.76

B Other Equity (Refer Note 16)

Particulars	(Rs. In Lakh)			
	Reserve & Surplus	Capital Reserve	Equity Component of 0 % Optionally Convertible Preference shares (OCRPS)	Total
	Retained Earnings			
As at April 1, 2021	(44,869.77)	30,682.15	519.09	(13,668.53)
Loss for the year	(20,409.73)	-	-	(20,409.73)
Other comprehensive income	2.60	-	-	2.60
Total comprehensive income for the year	(20,407.13)	-	-	(20,407.13)
As at March 31, 2022	(65,276.90)	30,682.15	519.09	(34,075.66)
Profit for the year	(20,443.97)	-	-	(20,443.97)
Other comprehensive income	(0.06)	-	-	(0.06)
Total comprehensive income for the year	(20,444.03)	-	-	(20,444.03)
As at March 31, 2023	(85,720.93)	30,682.15	519.09	(54,519.69)

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

1-64

For CA Rakesh Rathi & Associates
Firm Registration Number 154056VV

Rakesh Kumar Rathi

CA Rakesh Kumar Rathi
Proprietor
Membership Number: 198185

Place : Mumbai
Date: September 29, 2023



For and on behalf of the Board of Directors of
NCR Rail Infrastructure Limited

Ajay S Mittal

Ajay S Mittal
Director
DIN No.: 00226355

Navnit Choudhary

Navnit Choudhary
Director
DIN No.: 00613576



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Cash Flow Statement for the year ended March 31, 2023

(Rs. In Lakh)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Cash Flow From Operating Activities		
Profit/ (Loss) for the year before tax	(20,443.97)	(20,409.72)
Adjustments for :		
Depreciation and amortization expenses	3,156.93	4,042.86
Finance cost	17,908.08	15,718.41
Loss/(Gain) on sale/discarded Property, plant and equipment / Intangible Assets	171.61	530.20
Government grant – income	(35.07)	(35.07)
Gain on Lease modification	-	(4.78)
Sundry Balances Written Back (net)	(202.08)	(212.75)
Allowances of expected credit losses written back	(7.38)	(19.44)
Reversal of Interest on delayed payment	(563.27)	-
Interest Income on Bank deposits	(5.44)	(7.94)
Interest on Income Tax refund	(24.09)	(6.90)
Interest on loan to others	(35.30)	(23.11)
Rent concession	-	(4.38)
Fair value of financial instruments	-	(0.14)
Operating profit before working capital changes	(79.98)	(432.76)
Adjustments for		
Decrease in financial and other assets	32.95	(135.97)
(Decrease) in financial and other liabilities	4,653.38	558.66
Cash generated from operations	4,606.35	(10.07)
Direct Tax (Paid)/ Refunds	167.27	66.40
Net cash flow from operating activities	4,773.62	56.33
Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(12.51)	(0.44)
Capital advance	(244.11)	-
(Increase)/ decrease in other bank balances	-	199.16
Proceeds from Sale of Property, Plant and Equipment/ Intangible Assets	247.20	1,200.00
Loans (given to)/ return back from other (net)	42.48	(201.72)
Loans (given to) / return back subsidiary (net)	(4,750.91)	-
Investment in subsidiary	-	(1.00)
Interest Income on Fixed Deposits	7.38	17.20
Interest Income on loans to others	2.73	23.11
Net cash flow from investing activities	(4,707.73)	1,236.31
Cash flow from financing activities		
Payment of Lease Liability	(31.47)	(114.02)
Interest paid on borrowings	(30.43)	(1,195.00)
Net cash flow from financing activities	(61.90)	(1,309.02)
Net Increase/(Decrease) in cash and cash equivalents	3.99	(16.38)
Cash and cash equivalents at the beginning of the year	17.52	33.90
Cash and Cash Equivalents at the end of the year (Refer Note no. 10)	21.51	17.52

Cash flow notes:

1. Change in liabilities arises from financing activities

(Rs. In Lakh)

Particulars	Long term borrowings	Short term borrowings
As at April 01, 2022	65,913.70	3,004.35
Add: Transaction cost on long term borrowings	91.50	-
Less: Conversion of Liability Component of Compound Financial Instruments (OCRPS) into Equity	96.44	-
Add/(Less): Cash flow (net)	-	-
As at March 31, 2023	66,101.64	3,004.35

2. Bracket indicates cash outflow.

3. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 on Statement of Cash Flow.

Notes to the financial statements

1-64

As per our Report of even date

For CA Rakesh Rathi & Associates

Firm Registration Number 154056W

Rakesh Kumar Rathi
CA Rakesh Kumar Rathi

Proprietor

Membership Number: 198185

Place : Mumbai

Date: September 29, 2023



For and on behalf of the Board of Directors of
NCR Rail Infrastructure Limited

Ajay S Mittal

Ajay S Mittal

Director

DIN No.: 00226355

Navnit Choudhary

Navnit Choudhary

Director

DIN No.: 00613576



1 Corporate Information

NCR 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-400018. The name has been changed from Arshiya Rail Infrastructure Limited to NCR Rail Infrastructure Limited w.e.f. September 14, 2022.

NCR Rail Infrastructure Limited (NCR RAIL) 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. NCR Rail's unique offering provide unparalleled efficiencies with capability of large scale evacuation of cargo from Ports, Domestic Distriparks Warehousing, Inland Container Depot (ICD) and customer Sidings.

The financial statements of the Company for the year ended 31st March, 2023 were approved and adopted by board of directors in their meeting held on September 29, 2023.

2 Basis of preparation of financial statements

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

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.

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.



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

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.

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, 18 & 24 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.

Financial assets - Subsequent measurement:

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



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

- 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.

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 from sale of services 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) Measurement of revenue : Estimates of revenues, cost or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.
- (iii) Revenue from handling and other ancillary services is recognised at the time of rendering of service which is at the time of loading/unloading of container/cargo.

(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.
- (f) **Rental income:**
Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included as other income in the statement of profit or loss.

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.

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.

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.

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.

4.5 Impairment of non-financial assets:



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

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.

4.9 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.

4a Recent Accounting pronouncements

On 31st March, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to company from 1st April, 2023

- **Ind AS 1 – Preparation of Financial Statements** – The Companies should now disclose "Material Accounting Policies" rather than "Significant Accounting Policies". Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.
- **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors** – "Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. A company develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates include:
 - (a) Selection of a measurement technique (estimation or valuation technique)
 - (b) Selecting the inputs to be used when applying the chosen measurement technique"
- **Ind AS 12 – Income Taxes** – Narrowed the scope of the Initial Recognition Exemption (IRE) (with regard to leases and decommissioning obligations). Now IRE does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Based on preliminary assessment, the Company does not expect the consequential amendments to have any significant impact in its financial statements.



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

5 A Property, Plant and Equipment

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Computer	Railway Terminals	Leasehold Improvements	Total
Gross Carrying Value									
As at April 1, 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 March 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
Additions	-	-	12.52	-	-	-	-	-	12.52
Disposals	(418.81)	-	-	-	-	-	-	-	(418.81)
As at March 31, 2023	42,891.80	44,133.37	8,462.50	398.51	41.33	108.86	14,388.57	161.15	1,10,586.09
Accumulated Depreciation									
As at April 1, 2021	-	8,101.37	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	3,619.79
Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	9,697.46	4,784.37	331.12	31.51	95.75	6,961.40	143.55	22,045.16
Depreciation for the year	-	1,224.69	636.43	32.34	4.93	-	1,162.21	5.39	3,065.99
Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	10,922.15	5,420.80	363.46	36.44	95.75	8,123.61	148.94	25,111.15
Net Carrying value as at March 31, 2023	42,891.80	33,211.22	3,041.70	35.05	4.89	13.11	6,264.96	12.21	85,474.96
Net Carrying value as at March 31, 2022	43,310.61	34,435.91	3,665.61	67.39	9.82	13.11	7,427.17	17.60	88,947.25

Note:

1 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, maximum utilisation of facility, capturing business from development of DFC & Jewar airport in PFT etc. (Refer note no. 61).

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

Description of item of Property	Gross Carrying value (Rs. In Lakh)	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	7,226.74	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.

3 For details of securities charged on above property, plant and equipment, refer note no. 17 and 22.



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

5 B Right of Use Assets	
	(Rs. In Lakh)
Particulars	Building
Gross Carrying Value	
As at April 1, 2021	542.14
Additions	-
Disposals	(111.76)
As at March 31, 2022	430.38
Additions	96.82
Disposals	-
As at March 31, 2023	527.20
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
Depreciation for the year	24.41
Deductions	-
As at March 31, 2023	443.81
Net Carrying value as at March 31, 2023	83.38
Net Carrying value as at March 31, 2022	10.98

6 Intangible Assets			
			(Rs. In Lakh)
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	-	713.31
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2023	713.31	-	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	-	646.79
Amortisation for the year	66.53	-	66.53
Deductions	-	-	-
As at March 31, 2023	713.31	-	713.31
Net Carrying value as at March 31, 2023	-	-	-
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. 1,200.00 lakhs dated February 28, 2022. Net book value as on February 28, 2022 is Rs. 1,730.20 lakhs. Loss on sale of License of Rs. 530.20 lakhs shown in other expenses note no. 34.



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

Particulars	(Rs. In Lakh)	
	As At March 31, 2023	As At March 31, 2022
Non-Current Financial Assets		
7. Investments		
(Unquoted Investments carried at Cost)		
Investments in Equity Instruments of Subsidiary		
AMD Business Support Services Private Limited (10,000 shares @ face value Rs. 10 each)	1.00	1.00
Total	1.00	1.00

Particulars	(Rs. In Lakh)	
	As At March 31, 2023	As At March 31, 2022
Non-Current Assets		
8. Other Non-Current Assets		
Unsecured, considered good unless otherwise stated		
Capital Advances	1,285.75	1,041.64
Advances other than Capital advances		
Other Advances - gratuity (Refer note no. 38)	26.97	22.30
Others		
TDS Receivable	87.31	230.49
Total	1,400.03	1,294.43

Particulars	(Rs. In Lakh)	
	As At March 31, 2023	As At March 31, 2022
Current Financial Assets		
9. Trade Receivables		
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	57.33	28.15
Trade Receivable which have Significant increase in Credit Risk	0.12	7.50
Trade Receivable -credit Impaired	-	-
	57.45	35.65
Less: Allowance for expected credit loss	(0.12)	(7.50)
Total	57.33	28.15

(A) Trade Receivable ageing schedule:

Outstanding for following periods from due date of payment

Particulars	(Rs. in Lakh)	
	As At March 31, 2023	As At March 31, 2022
Undisputed, considered good		
Not due	-	15.55
Less than 6 months	57.33	12.60
6 months to 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total	57.33	28.15
Undisputed Trade Receivables which have significant increase in credit risk		
Less than 6 months	0.12	-
6 months to 1 year	-	-
1 to 2 years	-	7.50
2 to 3 years	-	-
More than 3 years	-	-
Total	0.12	7.50

(B) Movement in the Allowance for Doubtful Debts (Expected Credit Loss Allowance)

Particulars	(Rs. in Lakh)	
	As At March 31, 2023	As At March 31, 2022
Balance as the beginning of the year	7.50	26.94
Movement in expected credit loss allowance	(7.38)	(19.44)
Balance at the end of the year	0.12	7.50



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
10. Cash and Cash Equivalents		
Balances with banks in current accounts	21.37	17.51
Cash on hand	0.14	0.01
Total	21.51	17.52

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
11. Other Bank Balances		
Deposits with banks to the extent held as margin money	101.43	103.37
Total	101.43	103.37

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
12. Loans		
Unsecured, considered good unless otherwise stated		
Loans to Subsidiaries (Refer note no. 42 (iii))	7,172.13	2,432.09
Loans to Related party (Refer note no. 42 (iii))	16.62	5.75
Loans to others	182.89	225.37
Total	7,371.64	2,663.21

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
13. Other Financial Assets		
Financial assets carried at amortised cost		
Security Deposits	68.41	81.28
Financial Guarantee	-	309.98
Interest receivables	53.37	20.80
Other receivable	50.25	110.24
Total	172.03	522.30

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
14. Other Current Assets		
Advances to Suppliers	26.32	23.26
Advances to Employees	86.00	81.85
Others		
Prepaid expenses	2.60	5.28
Balance with Government Authority	23.29	15.56
Cash seized by Government Authority	1.18	-
Total	139.39	125.95



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

(Rs. in Lakh)

Particulars	As At March 31, 2023	As At March 31, 2022
15. Equity Share Capital		
(i) Authorised		
(i) 30,75,00,000 (31st March, 2022 - 30,75,00,000) Equity Shares of Rs. 2 each	6,150.00	6,150.00
(ii) 35,50,000 (31st March, 2022 - 35,50,000) 0% Optionally Convertible Redeemable Preference Shares (OCRPS) of Rs. 10 each	355.00	355.00
Total	6,505.00	6,505.00
(ii) Equity Share Capital - issued, subscribed and fully paid		
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
Total	2,622.76	2,622.76

(a) Terms and rights

(i) Terms and 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.

(ii) Terms and rights attached to 0% Optionally Convertible Redeemable Preference Shares (OCRPS)

The Company has 0% optionally convertible redeemable preference shares having a par value of Rs. 10 per share. Each holder of OCRPS has right / entitled to convert into equity shares on last day of 6th year from the date of issue, only in event of failure on part of the Company to redeem the OCRPS or inability of the Promoters to buyback the OCRPS or redemption on last day of 6th year from the date of issue.

(b) Reconciliation of equity shares and Optionally Convertible Redeemable Preference Shares (OCRPS)

(i) Reconciliation of equity shares outstanding as at the beginning and end of the year

Particulars	Number of Shares	Rs. in Lakh
Balance as at April 01, 2021	13,11,37,958	2,622.76
Add: Issued during the year	-	-
Balance as at March 31, 2022	13,11,37,958	2,622.76
Add: Issued during the year	-	-
Balance as at March 31, 2023	13,11,37,958	2,622.76

(ii) Reconciliation of Optionally Convertible Redeemable Preference Shares (OCRPS) outstanding as at the beginning and end of the year

Particulars	Number of Shares	Rs. in Lakh
Balance as at April 01, 2021	1,20,000	12.00
Add: Issued during the year	-	-
Balance as at March 31, 2022	1,20,000	12.00
Add: Issued during the year	-	-
Balance as at March 31, 2023	1,20,000	12.00

(c) Details of equity shares and OCRPS held by the shareholders holding more than 5% of the aggregate shares in the Company



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

(i) Details of equity shares held by the shareholders holding more than 5% of the aggregate shares in the Company on Record Date March 04, 2022

Name of the shareholder	As on March 04, 2022	
	Number of Shares	Percentage (%) shareholding
Ajay S Mittal	1,91,78,219	14.62%
Archana A Mittal	3,75,98,639	28.67%
Edelweiss Asset Reconstruction Company Limited (through various EARC trusts)	3,00,29,905	22.90%

(ii) Details of OCRPS held by the shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Percentage (%) shareholding	Number of Shares	Percentage (%) shareholding
Bank of Baroda	1,20,000	100.00%	1,20,000	100.00%

Note:

On January 18, 2018, erstwhile Arshiya Industrial & Distribution Hub Limited (AIDHL) which merged into Company, has allotted 1,20,000 0% Optionally Convertible Redeemable Preference Shares (OCRPS) at Rs. 1,000/- (including premium @ 990/-) 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 NCR RAIL pursuant to the Hon'ble NCLT Mumbai Bench order dated December 06, 2019 and as per scheme, the Company is in process of necessary compliances related to OCRPS.

(d) Shareholding of promoters proposed to be allotted on Record date March 04, 2022

Promoter's name	Category	No. of shares as on Record date	% of total shares
Mr. Ajay S. Mittal	Promoter	1,91,78,219	14.62%
Mrs. Archana A Mittal	Promoter	3,75,98,639	28.67%

Particulars	(Rs. in Lakh)	
	As At March 31, 2023	As At March 31, 2022
16. Other Equity		
Reserve and Surplus		
(i) Retained Earnings		
Balances as at the beginning of the year	(65,276.90)	(44,869.77)
Add: (Loss) / Profit for the year	(20,443.97)	(20,409.73)
Add: Other comprehensive income	(0.06)	2.60
Balances as at the end of the year	(85,720.93)	(65,276.90)
(ii) Capital Reserve		
Balances as at the beginning and end of the year	30,682.15	30,682.15
(iii) Equity Component of 0% Optionally Convertible Redeemable Preference shares (OCRPS)		
Balances as at the beginning and end of the year	519.09	519.09
Total	(54,519.69)	(34,075.66)

Nature and purpose of Reserve and Surplus:

(a) Retained Earning:

Retained Earnings are the profit/(loss) of the Company earned till date net of appropriations.

(b) 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.

(c) Equity Component of 0 % 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.



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
Non-Current Liabilities		
17. Borrowings		
Secured		
(a) Term Loans		
From banks (Refer note no. 17.1)	23,173.61	19,766.84
From Other Parties (Refer note no. 17.2)	1,05,676.48	93,202.81
Liability Component of Compound Financial Instruments (Refer note no. 15 (a) (ii) & 15 (b) (ii))	1,167.86	1,071.43
	1,30,017.95	1,14,041.08
Less: Current maturities of long term loans:		
From Banks	4,219.28	4,219.28
From Other parties	60,714.50	60,622.99
Less: Interest accrued and due	63,916.31	48,127.38
	1,28,850.09	1,12,969.65
Total	1,167.86	1,071.43

The Company has defaulted in repayment of loan from banks and other parties and according to the agreed terms with the lenders the entire loan became due on the day of default. Accordingly the entire amount has been disclosed as current maturities for long term borrowings under current borrowings.

The terms and condition stated below are considered based on the latest settlement with the respective lenders wherever applicable.

17.1 Term loans from Banks:

17.1.1 Rail Division:

(1) Rupee term loans of Rs. 4,219.28 lakhs (March 31, 2022 : Rs. 4,219.28 lakhs):

(a) Securities provided

- (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) The above loan is secured by personal guarantees from Promoters of erstwhile Holding Company.
- (iv) The above loan is secured by corporate guarantee from erstwhile Holding Company.
- (v) The above loan is secured by pledge of 100% equity shares of NCR RAIL i.e. pre merger of AIDHL & ATHL with the company scheme shareholding held by Promoters.

(b) Terms of Interest rate:

Rate of interest is from 10.45% to 16.25% p.a.

(c) Terms of Repayment:

Year	Rs. In Lakh
FY 2015-16	2,385.28
FY 2018-19*	1,834.00
Total	4,219.28

(d) Amount and period of default in repayment of borrowings:

Year	Rs. In Lakh
FY 2015-16	2,385.28
FY 2018-19*	1,834.00
Total	4,219.28

loans recalled by banks.

17.2 Term loans from Others:

17.2.1 Rail Division:

(1) Rupee term loans of Rs. 34,114.50 lakhs (March 31, 2022 : Rs. 34,024.56 lakhs):

(a) Securities provided

- (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) The above loan is secured by personal guarantees from Promoters directors of erstwhile Holding Company.
- (iv) The above loan is secured by corporate guarantee from erstwhile Holding Company.
- (v) The above loan is secured by pledge of 100% equity shares of NCR RAIL i.e. pre merger of AIDHL & ATHL with the company scheme shareholding held by Promoters.

(b) Terms of Interest rate:

Rate of interest is from 10 % p.a. computed monthly and payable half yearly.



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

(c) Terms of Repayment:

Year	Rs. In Lakh
FY 2019-20	1,744.63
FY 2020-21	6,139.19
FY 2021-22	2,276.52
FY 2022-23	23,954.16
Total	34,114.50

(d) Amount and period of default in repayment of borrowings:

Year	Rs. In Lakh
FY 2019-20	1,744.63
FY 2020-21	6,139.19
FY 2021-22	2,276.52
FY 2022-23	23,954.16
Total	34,114.50

During the previous year, loans recalled by lenders.

(5) The amortised cost disclosed above is net off of incidental cost of borrowings aggregating to Rs. Nil (March 31, 2022 - Rs. 89.94 Lakh).

17.2.2 ICD & Domestic Warehousing Division:

(1) Rupee term loans of Rs. 26,600.00 lakhs (March 31, 2022 : Rs. 26,598.44 lakhs):

(a) Securities provided

(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) The above loan is secured by personal guarantees from Promoters directors of erstwhile Holding Company.

(iv) The above loan is secured by corporate guarantee from erstwhile Holding Company.

(v) The above loan is secured by pledge of 100% equity shares of AIDHL i.e. pre merger of AIDHL & ATHL with the company scheme shareholding held by Promoters.

(b) Terms of Interest rate:

Rate of interest is from 10 % p.a. computed monthly and payable half yearly.

(c) Terms of Repayment:

Year	Rs. In Lakh
FY 2019-20	1,885.69
FY 2020-21	4,034.74
FY 2021-22	2,209.30
FY 2022-23	18,470.27
Total	26,600.00

(d) Amount and period of default in repayment of borrowings:

Year	Rs. In Lakh
FY 2019-20	1,885.69
FY 2020-21	4,034.74
FY 2021-22	2,209.30
FY 2022-23	18,470.27
Total	26,600.00

(5) The amortised cost disclosed above is net off of incidental cost of borrowings aggregating to Rs. Nil (March 31, 2022 - Rs. 1.56 Lakh).

Particulars	(Rs. in Lakh)	
	As At March 31, 2023	As At March 31, 2022
18. Lease Liabilities		
Lease Liability (Refer note no. 37)	71.22	-
Total	71.22	-

Particulars	(Rs. in Lakh)	
	As At March 31, 2023	As At March 31, 2022
19. Other Financial Liabilities		
Financial Liabilities at amortised cost		
Security Deposit	8.88	129.50
Total	8.88	129.50



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
20. Provisions		
Provision for employee benefits (Refer note no. 38)		
Gratuity	-	-
Leave encashment	13.83	16.74
Total	13.83	16.74

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
21. Other Non-Current Liabilities		
Government Grants (Refer note no. 26.2)	27.67	62.74
Total	27.67	62.74

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
Current Financial Liabilities		
22. Borrowings		
Secured		
(a) Loan from Other Parties (Refer Note no. 22.1)	3,000.00	3,000.00
(b) Current maturities of long term debts from banks	4,219.28	4,219.28
(c) Current maturities of long term debts from other parties	60,714.50	60,622.99
Unsecured		
(a) Loans from Related parties (Refer note no. 22.2)	4.35	4.35
Total	67,938.13	67,846.62

22.1 Loan from Other Parties:

22.1.1 ICD & Domestic Warehousing Division:

(1) Loan of Rs. 3,000.00 lakhs (March 31, 2022 : Rs. 3,000.00 lakhs):

(a) Securities provided

- (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,
- (iii) The above loan is secured by personal guarantees from Promoters directors of erstwhile Holding Company.
- (iv) The above loan is secured by corporate guarantee from erstwhile Holding Company.

(b) Terms of Interest rate: 18% p.a.

(c) **Repayment:** The loan was repayable on March 31, 2019.

(d) The Company has been in default for the repayment of principal amount of Rs. 3,000.00 lakhs since March 31, 2019. The same has been recall by the lenders.

22.2 Unsecured loan from Related Parties:

The loan of Rs. 4.35 Lakh (March 31, 2022 - Rs. 4.35 Lakh) is repayable on demand. Interest rate is 14% p.a.

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
23. Trade Payables		
Total Outstanding Dues of Micro and Small Enterprises (Refer note No. 40)	95.81	72.83
Total Outstanding Dues of Creditors Other than Micro and Small Enterprises	644.00	605.40
Total	739.81	678.23

Notes:

(A) The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.



(B) Trade payable ageing schedule:

Outstanding for following periods from due date of payment

(Rs. in Lakh)

Particulars	As At March 31, 2023	As At March 31, 2022
Micro and Small Enterprises		
Not Due	45.70	16.41
Less than 1 year	43.94	48.88
1 to 2 years	2.34	-
2 to 3 years	3.83	7.54
More than 3 years	-	-
Total Micro and Small Enterprises	95.81	72.83
Other than Micro and Small Enterprises		
Not Due	48.14	103.83
Less than 1 year	144.00	202.32
1 to 2 years	157.54	127.14
2 to 3 years	12.35	19.61
More than 3 years	281.99	152.54
Total Other than Micro and Small Enterprises	644.02	605.44
Disputed Dues		
Micro and Small Enterprises		
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Micro and Small Enterprises	-	-
Other than Micro and Small Enterprises		
Less than 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
More than 3 years	-	-
Total Other than Micro and Small Enterprises	-	-

(Rs. in Lakh)

Particulars	As At March 31, 2023	As At March 31, 2022
24. Lease Liabilities		
Lease Liability (Refer note no. 37)	18.32	14.04
Total	18.32	14.04

(Rs. in Lakh)

Particulars	As At March 31, 2023	As At March 31, 2022
25. Other Financial Liabilities		
Financial Liabilities at amortised cost		
Interest accrued and due on borrowings	68,849.91	51,579.74
Interest payable on short term loan	1.19	0.64
Security Deposit	171.62	37.00
Financial Guarantee	-	-
Others		
Project Creditors	1,135.35	1,111.73
Employee's Dues	362.66	229.90
Payable for Expenses	664.05	669.49
Other Payables	267.22	-
Total	71,452.00	53,628.50



25.1 Details of default in payment of Interest on secured loans as on March 31, 2023 are as follows:

(Rs. in Lakh)			
Year	Banks	Others	Total
FY 2013-14	965.05	-	965.05
FY 2014-15	740.00	-	740.00
FY 2015-16	1,035.94	-	1,035.94
FY 2016-17	1,287.23	-	1,287.23
FY 2017-18	1,512.65	252.91	1,765.56
FY 2018-19	2,423.96	4,700.96	7,124.92
FY 2019-20	2,190.26	13,694.06	15,884.32
FY 2020-21	2,591.68	5,393.96	7,985.64
FY 2021-22	2,800.78	11,990.30	14,791.08
FY 2022-23	3,406.77	13,864.59	17,271.36
Total	18,954.32	49,896.78	68,851.10

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
26. Other Current Liabilities		
Advance received from Customers	4.53	-
Advance received towards land	4,477.43	-
Government Grants (Refer note no. 26.2)	35.07	35.07
Others		
Statutory Liabilities (Refer below note 26.1)	354.46	889.64
Interest on Delayed payment of Statutory dues	405.81	856.28
Total	5,277.30	1,780.99

Note:

26.1 Statutory dues included Tax deducted at sources (TDS), Service Tax, Goods and Service Tax (GST), Provident Fund (PF), Profession Tax (PT) and Employee State Insurance Corporation (ESIC).

26.2 Government Grants

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
Balance as the beginning of the year	97.82	132.89
Movement in Government Grants	(35.08)	(35.07)
Balance as the end of the year	62.74	97.82
Current	35.07	35.07
Non Current	27.67	62.74

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
27. Provision		
Provision for employee benefits (Refer note no. 38)		
Gratuity	4.61	4.79
Leave encashment		
Total	4.61	4.79



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

(Rs. in Lakh)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
28. Revenue From Operations		
Handling Income	31.78	30.20
Terminal Income	305.64	279.35
Rent Income	521.92	468.43
Other operating Income	69.37	50.15
Total	928.71	828.13

(Rs. in Lakh)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
29. Other Income		
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	5.44	7.94
Interest income on income tax refund	24.09	6.90
Interest on Loan to others	35.30	23.11
Other income		
Government Grants	35.07	35.07
Gain on modification of Lease liability	-	4.78
Sundry balances written back (net off)	202.08	212.75
Allowances of expected credit losses written back	7.38	19.44
Reversal of interest on statutory dues	563.27	-
Rent concession	-	4.38
Miscellaneous Income	182.69	50.05
Total	1,055.32	364.56

(Rs. in Lakh)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
30. Cost of Operations		
Other operating expenses	52.10	47.56
Road Freight Expenses	0.31	0.41
Total	52.41	47.97

(Rs. in Lakh)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
31. Employee Benefits Expense		
Salaries, wages and bonus	510.97	586.54
Contribution to provident and other funds	15.94	20.98
Staff welfare expenses	7.00	10.14
Total	533.91	617.66



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

(Rs. in Lakh)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
32. Finance Cost		
Interest expense on Financial liabilities measured at amortised cost		
Interest expense on borrowings	17,378.14	15,155.16
Interest expense on Security Deposit	-	2.28
Interest expense others		
Interest on Delayed Payment of Statutory Dues	109.42	129.12
Interest on MSME vendors	3.47	4.94
Other borrowing costs		
Guarantee Commission Expense	309.98	306.28
Interest on Lease Liability	10.15	4.88
Finance cost on Amortisation of Liability Component	96.43	114.80
Bank charges	0.49	0.95
Total	17,908.08	15,718.41

(Rs. in Lakh)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
33. Depreciation and Amortisation Expense		
Depreciation on Property, Plant and Equipment	3,065.99	3,619.78
Amortisation of Intangible Assets	66.53	327.89
Depreciation on Right of Use Assets (Refer note no. 37)	24.41	95.19
Total	3,156.93	4,042.86

(Rs. in Lakh)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
34. Other Expenses		
Repairs and maintenance		
- Building	5.32	5.68
- Plant and Machinery	30.33	26.28
- Others	26.17	42.08
Advertisement & Sales Business Promotion expense	0.77	4.69
Payments to Auditors (Refer note below)	13.80	15.25
Electricity charges	59.13	61.65
Insurance	2.30	8.51
Legal and professional fees	133.30	108.59
Rates and taxes	2.93	3.97
Rent	88.48	102.27
Printing and Stationary	7.98	6.09
Office expenses	41.28	39.57
Security charges	117.99	112.83
Telephone and internet expenses	9.86	11.77
Travelling & conveyance expenses	28.79	22.10
Vehicle Expenses	29.53	27.76
Miscellaneous expenses	0.33	5.61
Cost Recovery charges	6.77	40.62
Loss on sale of property, plant and equipment / intangible assets	171.61	530.20
Total	776.67	1,175.52

(a) Details of Payments to auditors

(Rs. in Lakh)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
As Statutory Auditor		
Audit Fees	13.80	15.25
Total	13.80	15.25



35 Earnings per share (Basic and Diluted)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit available to equity shareholders		
Profit/(Loss) after tax (A) (Rs. in Lakhs)	(20,443.97)	(20,409.72)
Add: Interest adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	96.43	114.80
Total Profit/ (Loss) for the year for diluted EPS (Rs. in Lakhs)	(20,347.54)	(20,294.92)
Number of equity shares		
Weighted average number of equity shares outstanding (Basic) (B)	13,11,37,958	13,11,37,958
Add: Adjustment on account of 0% Optionally Convertible Redeemable Preference Shares (OCRPS)	1,20,000	1,20,000
Total Weighted average number of equity shares /OCRPS (Diluted) (C)	13,12,57,958	13,12,57,958
Nominal Value of an equity share (in Rs.)	2	2
Basic & Diluted earnings per share(A/B) (Rupees)	(15.59)	(15.56)

OCRPS has an anti-diluting effect on earnings per share hence have not been considered for the purpose of computing dilutive earnings per share for the year ended March 31, 2023.

36 Contingent Liabilities & Commitment
(To the extent not provided for)

i) Capital Commitments

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid)	1,480.64	1,528.14
Cash outflow expected on execution on such capital contracts		

(ii) Contingent liabilities:

(Rs. in Lakh)			
Sr. No.	Particulars	As At March 31, 2023	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	1,000.00
(b)	Bank Guarantee in favor the Custom office of Commissioner	100.00	100.00
(c)	Claims Against the Company not acknowledged as Debt	23.39	23.39
(d)	Collector of stamps	858.04	858.04
No Cash outflow is expected in near future			

37 Leases

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

(Rs. in Lakh)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	10.98	142.39
Additions during the year	96.82	-
Modifications during the year	-	(36.22)
Less: Depreciation charge for the year	(24.41)	(95.19)
Closing Balance	83.39	10.98

(ii) Movement of Lease liabilities

(Rs. in Lakh)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	14.04	168.56
Additions during the year	96.82	-
Modifications during the year	-	(36.22)
Add: Interest expenses on unwinding lease liabilities	10.15	4.88
Less: Gain on modification of lease liability	-	(4.78)
Less: Rent concession	-	(4.38)
Less: Payment of lease liabilities	(31.48)	(114.02)
Closing Balance	89.53	14.04



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

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
Future Non-Cancellable minimum lease commitments		
Within one year	21.70	14.04
More than one year but not less than five years	102.62	-
More than five years	-	-
Total undiscounted lease liabilities	124.32	14.04
Lease liabilities included in the Balance sheet		
Current Lease liabilities	18.32	14.04
Non-current Lease liabilities	71.22	-
Total	89.54	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:

(Rs. in Lakh)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Employer's Contribution to Provident Fund	3.25	3.99
Employer's Contribution to Pension Scheme	7.39	9.07
Employer's Contribution to ESIC	-	0.08

(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 Encashment:

(Rs. in Lakh)		
Particulars	As At March 31, 2023	As At March 31, 2022
Provision recognised in the Balance Sheet		
Current Provision as at the end of the year	4.61	4.79
Non Current Provision as at the end of the year	13.83	16.74
Provision recognised in the Balance Sheet	18.44	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 separately to build up to final obligation.

(Rs. in Lakh)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
I. Actuarial assumptions		
Mortality Table	Indian Assured lives Mortality (2012-14) Ult	Indian Assured lives Mortality (2012-14) Ult
Discount rate	7.30%	6.10%
Expected return on plan assets	6.10%	5.60%
Salary Escalation Rate	5.00%	5.00%
Withdrawal Rate	20.00%	20.00%
Retirement Age	58 Years	58 Years
II. Change in Present value of defined benefit obligations		
Liability as at the beginning of the year	62.24	90.08
Interest cost	3.79	5.09
Current service cost	6.66	7.27
Benefits paid	(10.03)	(37.60)
Actuarial (gain)/loss on obligations	0.06	(2.60)
Liability as at the end of the year	62.72	62.24



III. Change in Fair value of plan assets		
Fair value of plan assets as at the beginning of the year	84.54	80.02
Expected return on plan assets	5.15	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	89.69	84.54
IV. Actual return on plan assets		
Expected return on plan assets	5.15	4.52
Actuarial gain/(loss) on plan assets	-	-
Actual return on plan assets	5.15	4.52
V. Liability recognised in the Balance Sheet		
Liability as at the end of the year	62.72	62.24
Fair value of plan assets as at the end of the year	89.69	84.54
Liability/ (Asset) recognised in the Balance Sheet	(26.97)	(22.30)
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	6.66	7.27
Interest cost	3.79	5.09
Expected return on plan assets	(5.15)	(4.52)
Net actuarial (gain)/loss to be on obligation	-	-
Expense/ (Income) recognised in Statement of Profit and Loss	5.30	7.84
VIII. Amount recognised in the Other Comprehensive Income (OCI)		
Due to Change in financial assumptions	(3.13)	(1.27)
Due to Change in demographic assumption	-	0.07
Due to Change in experience assumption	3.19	(1.40)
Expected return on plan assets	-	-
Total remeasurement recognised in OCI	0.06	(2.60)
IX. Balance Sheet reconciliation		
Opening net liability	(22.30)	10.06
Expenses recognised in Profit & Loss	5.30	7.84
Actual Employer Contribution	(10.03)	(37.60)
Total Remeasurement recognised in OCI	0.06	(2.60)
Closing net liability	(26.97)	(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:

(Rs. in Lakh)		
Particulars	Changes in assumptions	Effect on Gratuity obligation
For the year ended March 31, 2023		
Salary growth rate	+0.50%	64.02
	-0.50%	61.46
Discount rate	+0.50%	61.50
	-0.50%	64.00
For the year ended March 31, 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 practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the balance sheet.

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



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

- (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 to meet the short - term gratuity payouts. This may rise due to non availability of enough cash / cash equivalent 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 (March 31, 2022 - 4 years).

39 Disclosure pursuant to Indian Accounting Standard 108 - Operating Segment

39.1 Primary Segment Information

The company is engaged in Private Freight Terminal (PFT) business and is having 6 looplines of Container Rail Terminal (CRT) 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.

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 March 31, 2023 is as follows:-

Particulars	(Rs. in Lakh)	
	Year Ended March 31, 2023	Year Ended March 31, 2022
Segment Revenue		
Rail & ICD	359.78	312.13
Domestic Warehouse	568.93	516.00
Total Revenue from Operations	928.71	828.13
Segment Results Before Tax and Interest		
Rail & ICD	(1,809.08)	(3,713.94)
Domestic Warehouse	(726.81)	(976.61)
Total Segment Result	(2,535.89)	(4,690.55)
Less: Unallocated Expenses net of Income	-	0.75
Less: Finance Costs	17,908.08	15,718.41
Less: Exceptional Items (Net)	-	-
Loss before tax	(20,443.97)	(20,409.70)
Less: Tax Expenses	-	-
Loss after tax	(20,443.97)	(20,409.70)
Segment Assets		
Rail & ICD	24,442.76	53,817.32
Domestic Warehouse	36,184.95	37,292.29
Unallocated	34,194.99	2,671.07
Total	94,822.70	93,780.68
Segment Liabilities		
Rail & ICD	8,637.41	4,594.78
Domestic Warehouse	125.13	129.13
Unallocated	1,37,957.09	1,20,509.64
Total	1,46,719.63	1,25,233.55



(Rs. in Lakh)		
Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Other Disclosures		
Capital Expenditure		
Rail & ICD	-	0.44
Domestic Warehouse	-	-
Unallocated	-	-
Total	-	0.44
Depreciation and amortisation expenses		
Rail & ICD	2,066.88	2,655.05
Domestic Warehouse	1,090.05	1,387.81
Unallocated	-	-
Total	3,156.93	4,042.86
Non-cash Expenditure		
Rail & ICD	61.31	7.20
Domestic Warehouse	110.30	-
Unallocated	-	-
Total	171.61	7.20

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

There are 5 customers (March 31, 2022 - 4 customers) aggregating to Rs. 868.33 lakhs (March 31, 2022 Rs. 758.93 lakhs) constituting 93.50% (March 31, 2022- 91.50% of Revenue).

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

(Rs. in Lakh)			
Sr. No.	Particulars	As At March 31, 2023	As At March 31, 2022
(i)	Principal amount remaining unpaid	95.81	72.83
(ii)	Interest due thereon remaining unpaid	3.47	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)	3.47	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.	-	-

41 Key Financial Ratios

Sr. No.	Particulars	March 31, 2023	March 31, 2022	Variation
(i)	Trade Receivables Turnover Ratio (refer note a)	21.73	4.36	397.94%
(ii)	Inventories Turnover Ratio	-	-	0.00%
(iii)	Debt Service Coverage Ratio (refer note b)	-0.00	-0.03	-83.78%
(iv)	Current Ratio (refer note c)	0.05	0.03	93.67%
(v)	Debt Equity Ratio (refer note d)	-2.66	-3.83	-30.61%
(vi)	Net Profit Ratio	-2201.33%	-2464.56%	-10.68%
(vii)	Trade Payables Turnover Ratio	0.69	0.48	43.95%
(viii)	Return on Capital Employed (refer note e)	-2.95%	-5.27%	-44.07%
(ix)	Net Capital Turnover Ratio	-0.01	-0.01	-1.77%
(x)	Return on Investment (refer note f)	5.31%	7.61%	-30.19%
(xi)	Return on Equity Ratio (refer note g)	39.39%	64.89%	-39.29%

- a Trade Receivables Turnover Ratio is increased due to increased in turnover and decreased in average trade receivables.
b Debt service coverage ratio decreased due to cash losses decreased
c Current Ratio increased due to increased in current assets.
d Debt equity ratio decreased due to increased in interest payables and accumulated losses.
e Return on capital employed decrease due to increase in debts.
f Return on investment decreased due to withdrawal of interest on deposits.
g Return on Equity ratio decreased due to increased in accumulated losses.



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

Sr. No.	Ratios	Numerator	Denominator
(i)	Trade Receivables Turnover Ratio	Revenue from operations	Average trade receivable (Opening balance + closing balance) / 2
(ii)	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory (Opening balance + closing balance) / 2
(iii)	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
(iv)	Current Ratio	Current Assets	Current Liabilities
(v)	Debt Equity Ratio	Total Debts + interest accrued	Total Equity
(vi)	Net Profit Ratio	Net Profit after tax	Revenue from operations
(vii)	Trade Payables Turnover Ratio	Other expenses excluding Allowance for doubtful debts, Bad debts, Foreign exchange differences, Sundry balance written off, Discarding/written off of Intangible assets under development and Loss on sale of subsidiary	Average trade payables (Opening balance + closing balance) / 2
(viii)	Return on Capital Employed	Profit before interest and tax	Total Equity + Total Debts
(ix)	Net Capital Turnover Ratio	Revenue from operations	Working capital (Current asset - current liabilities)
(x)	(iii) The above loan is secured by personal guarantees from Promoters directors of erstwhile Holding Company.	Interest income on fixed deposits + Profit on sale of investments + Income of investment - Impairment on value of investment	Current investments + Non current Investments + Fixed deposits with bank
(xi)	Return on Equity Ratio	Net Profit after tax	Average total equity



- 42 Related party disclosures, as required by Indian Accounting Standard 24 "Related Party Disclosures" (IND AS-24) and Indian Accounting Standard 112 "Disclosure of Interests in Other Entities" (IND AS-112) as given below:

(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 (till September, 05, 2022) Mr. Amitabha Choudhary - Chief Executive Officer (w.e.f. September, 05, 2022) Mr. Lalan Thakur - Chief Financial Officer (w.e.f. August 13, 2021 to August 31, 2022) Mr. Abhijit Mehta - Company Secretary (w.e.f. June, 02, 2021 to April 29, 2022) 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 FTWZ 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

(Rs. in Lakh)			
Name of the Party	Nature of Transaction	Year Ended March 31, 2023	Year Ended March 31, 2022
Lease rent income	Arshiya Limited	6.00	5.00
Interest expenses	Rudradev Properties Private Limited	0.61	0.61
Reimbursement of Expenses	Arshiya Northern FTWZ Limited	44.84	4.65
Allocation of cost and common expenses*	Arshiya Limited	170.24	122.44
Financial Guarantee commission expenses	Arshiya Limited	309.98	306.28
Remuneration paid to Key Managerial Person	Mr. Ananya Mittal Mr. Amitabha Choudhary Mr. Lalan Thakur Ms. Avani Dipakkumar Lakhani	24.50 24.22 5.47 -	24.50 - 9.56 0.77
Loan and advances given	Arshiya Northern FTWZ Limited AMD Business Support Services Private Limited	184.57 262.61	- -
Loan and advances given repaid/adjusted	Arshiya Northern FTWZ Limited	128.86	-
Assignment of Loan given **	AMD Business Support Services Private Limited	4,477.43	-
Capital Receipts towards land	Arshiya Limited	4,477.43	-
Loan taken	Arshiya Limited	315.23	-
Repayment of loan taken	Arshiya Limited	315.23	-

* During the year, Arshiya Limited (AL) erstwhile holding company has allocated certain common cost and expenses incurred by it, to the Company aggregating to Rs. 170.24 lakhs (March 31, 2022 - Rs. 122.44 lakhs) based on AL's estimates of such cost and expenses attributable to the company. Hence, 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, 2023, loan given by Arshiya Limited to AMD Business Support Services Private Limited, a subsidiary of the Company is assigned to the Company through assignment agreement.



(iii) Closing Balances

		(Rs. in Lakh)	
Nature	Related Party	As At March 31, 2023	As At March 31, 2022
Loans from related parties	Rudradev Properties Private Limited	4.35	4.35
Interest payable	Rudradev Properties Private Limited	1.19	0.64
Loan to related parties	AMD Business Support Services Private Limited	7,172.13	2,432.09
	Arshiya Northern FTWZ Limited	16.62	5.75
Financial Guarantee rights	Arshiya Limited	-	309.98
Other Payables	Arshiya Limited	267.22	-
Advance receipts towards land	Arshiya Limited	4,477.43	-
Investment in subsidiary	AMD Business Support Services Private Limited	1.00	1.00
Personal Guarantee (Liability Jointly & Severally) taken	Ajay S Mittal	93,471.00	93,471.00
	Archana A Mittal	93,471.00	93,471.00
Corporate Guarantee taken	Arshiya Limited	75,436.69	75,436.69
Corporate Guarantee given	Arshiya Limited	550.00	550.00



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

43 Fair Value Measurements

(i) Financial Instruments by Category

(Rs. in Lakh)

Particulars	Carrying Amount		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial Assets				
Amortised cost				
Trade receivables	57.33	28.15	57.33	28.15
Cash and cash equivalents	21.51	17.52	21.51	17.52
Other bank balances	101.43	103.37	101.43	103.37
Loans	7,371.64	2,663.21	7,371.64	2,663.21
Other financial assets	172.03	522.30	172.03	522.30
Total	7,723.94	3,334.55	7,723.94	3,334.55
Financial Liabilities				
Amortised cost				
Borrowings	69,105.99	68,918.05	69,105.99	68,918.05
Trade payables	739.81	678.23	739.81	678.23
Security deposits	180.50	166.50	180.50	166.50
Other financial liabilities	71,280.38	53,591.50	71,280.38	53,591.50
Lease liabilities	89.54	14.04	89.54	14.04
Total	1,41,396.22	1,23,368.32	1,41,396.22	1,23,368.32

(ii) Fair Valuation techniques used to determine fair value

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

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

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

(iii) Fair value hierarchy

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

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



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

44 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 risk management assessment, management and processes are established to identify and analyse 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.

Contractual maturities of financial liabilities

(Rs. in Lakh)

Particulars	Less than 1 year	Between 1 year and 5 years	More than 5 year
March 31, 2023			
Borrowings	67,938.13	-	-
OCRPS (Debt and Equity component)	1,200.00	-	-
Trade payables	739.81	-	-
Other financial liabilities	71,452.00	8.88	-
Lease liability	18.32	71.22	-
Total Financial liabilities	1,41,348.26	80.10	-



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

Particulars	(Rs. in Lakh)		
	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	678.23	-	-
Other financial liabilities	53,628.50	129.50	-
Lease liability	14.04	-	-
Total Financial liabilities	1,22,258.89	1,329.50	-

(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 March 31, 2023 the Company's borrowings at the variable rate were mainly denominated in Rupees.

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

Interest rate risk exposure

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

Particulars	(Rs. in Lakh)	
	March 31, 2023	March 31, 2022
Variable rate borrowings	4,219.28	4,219.28

Interest sensitivity

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

Particulars	(Rs. in Lakh)	
	Increase/(decrease) in profit before tax	
	March 31, 2023	March 31, 2022
Interest sensitivity		
50 bps increase the profit before tax by*	(21.10)	(21.10)
50 bps decrease the profit before tax by*	21.10	21.10
* Holding all other variable constant		



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

45 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.

Particulars	(Rs. in Lakh)	
	As At March 31, 2023	As At March 31, 2022
Borrowings	69,105.99	68,918.05
Interest payables on borrowings	68,851.10	51,580.38
Total Debt	1,37,957.09	1,20,498.43
Total Equity	(51,896.93)	(31,452.90)
Total debt to equity ratio (Gearing ratio)	(2.66)	(3.83)

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.



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

46 Taxation

46.1 Tax Reconciliation

Particulars	(Rs. in Lakh)	
	As at March 31, 2023	As at March 31, 2022
Reconciliation of tax expense		
Loss before tax	(20,443.97)	(20,409.72)
Enacted income tax rate (%) applicable to the Company #	26%	26%
Tax expenses calculated at enacted income tax rate	(5,315.43)	(5,306.53)
Related to Property plant & equipment	252.49	415.71
Effect of Expenses that are not deductible in determining taxable profit	4,639.72	4,227.95
Effect of Incomes that are not allowable in determining taxable profit	(200.91)	(317.63)
Tax Losses	624.13	980.49
Tax paid under provision of Minimum Alternate Tax (MAT)	-	-
Income tax expense recognised in profit or loss	-	-

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.

46.2 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.

46.3 Unused tax losses for which no deferred tax assets has been recognised

(Rs. in Lakh)			
Assessment Year	Business Loss	Available for utilisation till Assessment Year	Unabsorbed Depreciation
2012-2013	-		2,133.42
2013-2014	-		3,039.67
2014-2015	-	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	1,266.49	2030-2031	2,443.98
2023-2024	214.68	2030-2031	2,185.82
Total	29,955.54		69,974.79

(Rs. in Lakh)		
Assessment Year	Long term Capital Loss	Available for utilisation till Assessment Year
2016-2017	369.21	2024-2025
Total	369.21	

Unused deferred tax assets as at March 31, 2023 Rs. 26,017.93 Lakhs (March 31, 2022 - Rs. 29,345.25 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:-

(Rs. in Lakh)		
Particulars	As at March 31, 2023	As at March 31, 2022
Property plant equipment	6,601.32	7,437.24



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

Unabsorbed depreciation	(19,466.98)	(18,858.89)
Expense allowable on payments under section 43B and 40(a)(ia)	(4,742.24)	(4,216.84)
Unabsorbed loss	(8,415.80)	(13,649.98)
Financial Instruments	(24.91)	(56.78)
Total Deferred Tax Assets	(26,048.62)	(29,345.25)

47 Preparation of financial statements on "Going Concern" basis

The Company has incurred net loss of Rs. 20,443.97 Lakhs during the year ended March 31, 2023 and as of that date, the company current liabilities exceeded by its current assets by Rs. 1,37,566.84 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 C 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 logistic 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 Increased focus on Khurja as a distribution hub post GST implementation
- iii Government focus on Multi-modal logistic and transport services to increase the throughput of the infrastructure already created by the company;
- iv Government focus on the revamping of the Railway Boards and increasing clarity on regulatory aspects to support resolution of the regulatory issues;
- v Two Dedicated Freight Corridor(s) (DFC) along the Western and Eastern part of India to support increase in the business volume.
- vi 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 working towards various restructuring feasible models, considering these the financials have been prepared on going concern basis.

- 48** 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.
- 49** Upon signing of Restructuring Agreement with Edelweiss Assets Reconstruction Company Limited (EARC) on March 31, 2017, the Company is accruing penal interest on restructured debt @ 8% p.a. based upon the balance confirmation provided by EARC till September 30, 2019 against the documented rate of 18% per annum. It has resulted in the short provision of penal interest for the year ended March 31, 2022 amounting to Rs. 3,080.01 Lakh and for the year ended March 31, 2023 amounting to Rs. 4,015.62 Lakh . In aggregate penal interest provisions are lower by Rs. 9,846.84 Lakh till March 31, 2023.
- 50** 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.



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

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 16,747.59 Lakhs having consequential impact on total comprehensive income for the year ended 31st March, 2023.

- 51 The Company has procured certain capital goods under EPCG scheme at concessional rate of duty. On non fulfilment of certain conditions, the company may become liable to pay differential custom duty along with interest thereon such procurement. 5 EPCC license were closed with release of Corporate Guarantee during the year March 2020. The management had completed the obligation and submitted information to concern department for closure of EPCG license.
- 52 The Company has requested all its lenders for independent confirmation of their outstanding as on March 31, 2023 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
- 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.
- 54.1 Corporation Bank (merged with Union Bank of India) 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.
- 54.2 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.
- 54.3 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.
- 55.1 As per Provisions of sub section 1 of Section 203 of Companies Act, 2013 (w.e.f. April 01, 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.
- 55.2 As per Provisions of sub section 1 of Section 203 of Companies Act, 2013 (w.e.f. April 01, 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.

56 Revenue from contracts with customers (IND AS 115)

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

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

Revenue disaggregation by geography is as follows:

(Rs. in Lakh)

Geography	Year Ended March 31, 2023	Year Ended March 31, 2022
In India	928.71	828.13
Outside India	-	-
Total	928.71	828.13

Revenue disaggregation by timing of revenue recognition is as follows:

(Rs. in Lakh)

Geography	Year Ended March 31, 2023	Year Ended March 31, 2022
Goods transferred at a point in time	-	-
Service transferred over time	928.71	828.13



NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

- 57.1 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 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.
- 57.2 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 bank 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 The Hon'ble National Company Law Tribunal (NCLT), Mumbai by its order dated December 06, 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 January 06, 2020 and, AIDHL and ATHL stand amalgamated with the Company from the appointed date i.e. October 01, 2015.
- 59 During the previous year ended March 31, 2022, Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') has approved the Scheme of Arrangement ('Scheme') vide its order dated January 21, 2022 ('Order'). Assets and liabilities pertaining to domestic business has been demerged from the Company into the Resulting company i.e. Arshiya Rail Infrastructure Limited (name subsequently changed to NCR Rail Infrastructure Limited). Post NCLT Order, one of the lenders has filed an appeal against the said Order before the Hon'ble National Company Law Appellate Tribunal ('NCLAT / Appellate Tribunal'), Delhi. The Appellate Tribunal by its order dated March 04, 2022, ordered to maintain 'status quo' in the matter. The Company has filed an application seeking vacation of the ad-interim stay order dated March 04, 2022 praying the Appellate Tribunal to allow the Company to complete the formalities such as allotment and listing of the shares of the Resulting Company. As the scheme is in the interest of stakeholders of both the companies and based on the legal opinion and advice, the Company has continued to prepare the financial statement since previous year ended March 31, 2022 after giving accounting effects of the approved scheme by the NCLT.
- 60 The Company has made a detailed assessment and the recoverability and carrying value of its assets, as at March 31, 2023, 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.
- 61 The Company has Property, Plant & Equipment with gross block aggregating to Rs 57,690.91 Lakh (written down value aggregating to Rs 51,133.28 Lakh) and inventory of Rs 12,537.34 Lakh. The value of these assets of the Company, has been carried forward on the basis of existing accounting policies, and these values are supported by the commercial value realised in the past. The fair value of assets and liabilities of the Company cannot be determined till the completion of the ongoing discussions for resolution of debt or proceedings and may appear prejudiced, if carried at this stage. In view of the above, no provision for impairment is made at this stage in the financial statement.
- 62 Other Statutory Informations**
- (a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) 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
 - (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) 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




NCR Rail Infrastructure Limited (Formerly Known as Arshiya Rail Infrastructure Limited)
Notes to the financial statements for the year ended March 31, 2023

- (ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (c) 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.
- (d) There are no transactions and outstanding balances with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (e) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (g) 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.
- (h) 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.
- (i) 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.
- (j) Utilisation of borrowed funds as on March 31, 2023, 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.
- (k) The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company.
- (l) During the year, the Company has not entered into any scheme of arrangements in terms of sections 230 to 237 of the Companies Act, 2013.
- 63 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.
- 64 Previous year's figures have been regrouped / rearranged wherever necessary to comply with requirement of Ind AS and Schedule III.

Notes forming part of Financial Statements

For CA Rakesh Rathi & Associates
Firm Registration Number 154056W


CA Rakesh Kumar Rathi
Proprietor
Membership Number: 198185

Place : Mumbai
Date: September 29, 2023

For and on behalf of the Board of Directors of
NCR Rail Infrastructure Limited


Ajay S Mittal
Director
DIN No.: 00226355


Navnit Choudhary
Director
DIN No.: 00613576

