P.C. GOYAL & CO.
CHARTERED ACCOUNTANTS
B-3/2 TOP FLOOR PASCHIM VIHAR
NEW DELHI-110063

## INDEPENDENT AUDITORS' REPORT

**To**
**The Members of JINDAL RAIL INFRASTRUCTURE LIMITED**

### Report on the Financial Statements

### Opinion

We have audited the accompanying financial statements of **JINDAL RAIL INFRASTRUCTURE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss , total comprehensive income , its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 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 Rule thereunder, and we have fulfilled our 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 of our opinion.

### 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 information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the financial statements does not cover the other information and we do 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 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.

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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.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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.

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

**Auditors' Responsibility**

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 guaranteethat 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 takenon 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.

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- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report becausethe adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

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

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.

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

i. The Company does not have any pending litigations as on March 31, 2022;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

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(h)The managerial remuneration for the year ended 31st March, 2022 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

i) As per the management representation we report,

(i) no funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

(ii) no funds have been received by the company from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such 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 guarantee, security or the like on behalf of the Ultimate beneficiaries.

(iii) Based on the audit procedures performed, we report that nothing has come to our notice that has caused us to believe that the representations given under sub-clause (i) and (ii) by the management contain any material misstatement.

(j) No dividend has been paid by the company.

**For P.C. Goyal & Co.**
Chartered Accountants
Firm Registration No. 002368N

**(M.P. Jain)**
Partner
M. No. 082407
Date: 10th May, 2022
Place: New Delhi
UDIN: 22082407AKCYCU4390

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**ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT**

(Annexure referred to in our report of even date to the members of **JINDAL RAIL INFRASTRUCTURE LIMITED** on the accounts for the year ended March 31, 2022)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment (PPE) and Intangible assets.

   (b) A major portion of the PPE has been physically verified by the Management in accordance with a phased programmed of verification once in three years adopted by the company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

   (c) The Company does not have any immovable property wherein reporting requirement with respect to title deed of immovable properties is applicable.

   (d) The Company has not revalued its PPE and Intangible assets during the year. Hence, the reporting requirement of para 3(i)(d) of the order is not applicable to the Company.

   (e) As explained to us and as per the information and explanations furnished to us, no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988. Hence, Para 3(i)(e) of the order is not applicable to the company.

2. (a) As explained to us, the management during the year has physically verified inventories. In our opinion, the coverage and procedure of verification is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

   (b) The company has been sanctioned and availed working capital limit in excess of five crores rupees, in aggregate, from Banks on the basis of security of current assets; monthly statements filed by the company with the banks are in agreement with the books of Accounts of the company.

3. In our opinion and According to the information and the explanations given to us, During the year company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the provisions of Para 3(iii)(a-f) of the order are not applicable to the company.

4. The company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act,2013. Accordingly, the reporting requirement of para 3(iv) of the order is not applicable to the company.

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5. According to the information given to us, the Company has not accepted any deposits or amount which are deemed to be deposits the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.

6. To the best of our knowledge and as explained, the company has made and maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the companies' act,2013.

7. (a) Undisputed statutory dues including Goods and Service Tax, provident fund, employee' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable.

   (b) According to the information and explanations given to us, there are no material statutory dues referred in aforesaid clause 7(a) which have not been deposited with the appropriate authorities on account of any dispute.

8. In our opinion and as per the information and explanations furnished to us, there are no unrecorded transactions or transactions disclosed as income in the tax assessments under the Income Tax Act. Hence, the para 3(viii) of the order is not applicable to the Company.

9. (a) In our opinion, on the basis of books and records examined by us and according to the information and explanations given to us, the company has not defaulted in repayment of loan or other borrowing and payment of interest to any lender. Hence, the para 3(ix)(a) of the order is not applicable to the Company

   (b) In our opinion, and as per the information and explanation furnished to us, the Company is not willful defaulter by any bank or other financial institution or any other lender.

   (c) our opinion and as per the information and explanation furnished to us, the term loan availed were utilized for the purpose for which the loan was taken.

   (d) On the basis of books and records examined by us, the company has not raised any short term fund. Hence, Para 3(ix)(d) of the order not applicable to company.

   (e) On the basis of books and records examined by us, the Company has not taken any funds from any entity or person to meet the obligation of its subsidiary.

   (f) On the basis of books and records examined by us and as explained to us, the Company has not raised loan during the year on the pledge of securities held in its subsidiary.

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10. (a) The Company has not raised any money by way of initial public offer or further public offer or debt instruments. Hence, the para 3(x) of the order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or convertible debentures (fully, partly or optionally convertible) during the year. Accordingly, provisions of clause 3 (x)(b) of the Order are not applicable to the Company.

11. (a) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds by the Company or on the Company has been noticed or reported by the Company.

(b) As informed to us and as per the information and explanation furnished to us, there was no report in prescribed form ADT-4 under sub-section 12 of section 143 of the Companies Act,2013 required to be filed. Hence, the reporting para 3(xi)(b) of the order is not applicable to the Company.

(c) No whistle blower complaints were received by the Company. Hence, the reporting para 3(xi)(c) of the order is not applicable to the Company.

12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 188 of the Act, and where applicable the details have been disclosed in the Financial Statements as required by the applicable accounting standards. According to the information and explanations given to us, section 177 of the Act is not applicable to the company.

14. In our opinion and as per the information and explanation furnished to us, the Company has an internal audit system commensurate with the size and nature of its business. The report of the internal auditor furnished for the period was considered in framing the opinion.

15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.

16. (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

(b) In our opinion and as explained to us by the management, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid certificate of registration from Reserve Bank of India as per the Reserve Bank of India Act, 1934.

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(c) In our opinion and as per the information and explanation furnished to us, the Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India. Hence, the reporting para 3(xvi)(c) and (d) of the order is not applicable to the Company.

17. The Company has incurred cash loss during the year amounting to RS.1109.96 lakhs and Rs.2900.82 lakhs in the immediately preceding financial year.

18. There was no resignation of the statutory auditor during the year. Hence, the reporting para 3(xviii) of the order is not applicable to the Company.

19. In our opinion and based on the books and relevant documents and 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, the auditor's knowledge of the Board of Directors and management plan of support from holding company, no material uncertainty exists as on the date of the audit report that company is capable of meeting 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.

20. According to the information and explanations given to us, the Company is not required to inccur any expenses under Corporate Social Responsibility (CSR) during the year. Hence, Para 3(xx) of the order is not applicable to the company.

21. There is no subsidiary, associate or joint venture of the Company. Therefore, the para with respect to qualifications or adverse remark by the respective Auditor in the separate Companies (Auditor's Report) Order (CARO) of the companies included in the consolidated financial statements in, the reporting para 3(xxi) of the order is not applicable to the Company.

**For P.C. Goyal & Co.**
Chartered Accountants
Firm Registration No. 002368N

**(M.P. Jain)**
Partner
M. No. 082407
Date: 10th May, 2022
Place: New Delhi
UDIN: 22082407AKCYCU4390

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**ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT**

Annexure referred to in our report of even date to the members of **JINDAL RAIL INFRASTRUCTURE LIMITED** on the accounts for the year ended 31st March, 2022

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

We have audited the internal financial controls over financial reporting of **JINDAL RAIL INFRASTRUCTURE LIMITED** ("the Company") as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

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

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

**Opinion**
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**For P.C. Goyal & Co.**
Chartered Accountants
Firm Registration No. 002368N

**(M.P. Jain)**
Partner
M. No. 082407
Date: 10th May, 2022
Place: New Delhi
UDIN: 22082407AKCYCU4390

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**JINDAL RAIL INFRASTRUCTURE LIMITED**
**BALANCE SHEET AS AT 31ST MARCH, 2022**
**CIN No. U45400UP2007PLC070235**

(₹ lakhs)

| | Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| | **ASSETS** | | | |
| (1) | **Non-current assets** | | | |
| | (a) Property, Plant and Equipment | 1 | 28,906.60 | 28,454.04 |
| | (b) Capital work-in-progress | | 18.92 | - |
| | (c) Other Intangible assets | 2 | 14.69 | 18.97 |
| | (d) Financial Assets | | | |
| | (i) Investments | 3 | 1,305.36 | 1,077.80 |
| | (ii) Other Financial assets | 4 | 299.63 | 589.67 |
| | (e) Deferred tax assets (net) | 5 | 5,326.23 | 5,429.06 |
| | (f) Other non-current assets | 6 | - | - |
| (2) | **Current assets** | | | |
| | (a) Inventories | 7 | 9,036.85 | 8,448.18 |
| | (b) Financial Assets | | | |
| | (i) Trade receivables | 8 | 2,576.16 | 2,581.14 |
| | (ii) Cash and cash equivalents | 9 | 4.48 | 30.60 |
| | (iii) Bank balances other than (ii) above | 10 | 207.43 | 309.97 |
| | (iv) Other Financial assets | 11 | 26.83 | - |
| | (c) Current Tax Assets (Net) | 12 | 390.07 | 835.20 |
| | (d) Other current assets | 13 | 4,998.27 | 6,202.43 |
| | **Total Assets** | | **53,111.52** | **53,977.06** |
| | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| | (a) Equity Share capital | 14 | 3,059.45 | 3,059.45 |
| | (b) Other Equity | 15 | 20,385.28 | 11,866.83 |
| | **Liabilities** | | | |
| (1) | **Non-current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 16 | 19,584.03 | 29,069.42 |
| | (ii) Other financial liabilities | 17 | - | 632.50 |
| | (b) Provisions | 18 | 64.40 | 63.57 |
| (2) | **Current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 19 | 5,298.23 | 5,076.84 |
| | (ii) Trade payables | 20 | | |
| | -Micro and Small Enterprises | | 215.92 | 150.84 |
| | -Other than Micro and Small Enterprises | | 757.55 | 2,012.68 |
| | (iii) Other financial liabilities | 21 | 65.32 | 138.59 |
| | (b) Other current liabilities | 22 | 3,651.18 | 1,877.19 |
| | (c) Provisions | 23 | 30.16 | 29.15 |
| | **Total Equity and Liabilities** | | **53,111.52** | **53,977.06** |

*Significant accounting policies and notes to the financial statements* 31

In terms of our report of even date annexed hereto

**For P.C. GOYAL & CO.**
Chartered Accountants
Firm Registration No. 002368N

**M.P.JAIN**
Partner
M.No.082407
Place: New Delhi
Dated: 10th May, 2022

P.C. GOYAL & CO. NEW DELHI M.No.082407 FRN-002368N CHARTERED ACCOUNTANTS

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

**Arun Kumar Khosla**
Whole Time Director
DIN - 00038033

**Kumud Nath Mishra**
Whole Time Director
DIN - 09570343

**Ajaya Kumar Biswal**
Chief Financial Officer
M No. F-13297

**Pankaj Agarwal**
Company Secretary
M No. A-26877

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

(₹ lakhs)

| | Particulars | Note No. | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|---|
| I | Revenue From Operations | 24 | 25,671.05 | 11,430.88 |
| II | Other Income | 25 | 106.46 | 98.73 |
| III | **Total Income (I+II)** | | **25,777.51** | **11,529.61** |
| IV | **EXPENSES** | | | |
| | Cost of materials consumed | | 20,991.90 | 7,391.92 |
| | Changes in inventories of finished goods, Stock-in -Trade and work- in-progress | 26 | (1,939.25) | 289.02 |
| | Employee benefits expenses | 27 | 1,099.75 | 1,030.38 |
| | Finance costs | 28 | 4,410.62 | 3,946.78 |
| | Depreciation and amortisation expense | 29 | 766.76 | 699.05 |
| | Other expenses | 30 | 2,324.45 | 1,772.33 |
| | **Total expenses (IV)** | | **27,654.23** | **15,129.48** |
| V | Profit/(loss) before exceptional items and tax (III- IV) | | (1,876.72) | (3,599.87) |
| VI | Exceptional Items | | - | - |
| VII | **Profit/(loss) before tax (V-VI)** | | (1,876.72) | (3,599.87) |
| VIII | Tax expense: | | | |
| | Deferred tax | | 42.35 | (806.07) |
| IX | **Profit/(loss) for the year (VII-VIII)** | | (1,919.07) | (2,793.80) |
| X | Other Comprehensive Income | | | |
| | A Items that will not be reclassified to profit or loss | | | |
| | (a)Re-measurement gains/(losses) on defined benefit plans | | 5.09 | 11.21 |
| | Income tax effect on above | | (1.32) | (2.91) |
| | (b)Equity Instruments through Other Comprehensive Income(Gain/(loss) on Fair valuation of Long Term Investment) | | 227.56 | (195.62) |
| | Income tax effect on above | | (59.16) | 50.86 |
| | **Total Other Comprehensive Income** | | **172.17** | **(136.46)** |
| XI | **Total Comprehensive Income for the year (IX+X)** | | (1,746.90) | (2,930.26) |
| XII | Earning per equity share of Face value of ₹10/- | | | |
| | (1) Basic | | (6.27) | (9.13) |
| | (2) Diluted | | (6.27) | (9.13) |
| | *Significant accounting policies and notes to the financial statements* | 31 | | |

In terms of our report of even date annexed hereto
**For P.C. GOYAL & CO.**
Chartered Accountants
Firm Registration No. 002368N

**M.P.JAIN**
Partner
M.No.082407
Place: New Delhi
Dated: 10th May, 2022

P.C. GOYAL & CO. NEW DELHI M.No.082407 FRN-002368N CHARTERED ACCOUNTANTS

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

**Arun Kumar Khosla**
Whole Time Director
DIN - 00038033

**Kumud Nath Mishra**
Whole Time Director
DIN - 09570343

**Ajaya Kumar Biswal**
Chief Financial Officer
M No. F-13297

**Pankaj Agarwal**
Company Secretary
M No. A-26877

**JINDAL RAIL INFRASTRUCTURE LIMITED**
**CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2022**

(₹ lakhs)

| | Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| A. | **CASH FLOWS FROM OPERATING ACTIVITIES:** | | |
| | **Profit/(Loss) before tax** | (1,876.72) | (3,599.87) |
| | Adjustment for: | | |
| | Depreciation | 766.76 | 699.05 |
| | Re-measurement gains on defined benefit plans | 5.09 | 11.21 |
| | Interest expense | 4,410.62 | 3,007.31 |
| | Interest income | (85.00) | (79.66) |
| | **Working Capital Adjustment :** | | |
| | (Increase)/Decrease in Trade Receivable | 4.98 | (680.56) |
| | (Increase)/Decrease in Loan and Advances | 1,545.67 | (1,053.22) |
| | (Increase)/Decrease in Inventories | (588.67) | 743.02 |
| | Increase/(Decrease) in Trade and other Payables | (119.99) | 1,250.31 |
| | **Cash Generated From Operations Before Exceptional Items** | **4,062.74** | **297.59** |
| | Tax Paid | 445.14 | 178.21 |
| | **Net cash Inflow/(Outflow) from operating activities** | **4,507.88** | **475.80** |
| B. | **CASH FLOWS FROM INVESTING ACTIVITIES:** | | |
| | Proceeds from FDR | 372.02 | 864.57 |
| | Interest received | 85.00 | 79.66 |
| | Purchase of property, plant & equipment | (101.65) | (610.83) |
| | **Net cash Inflow/(Outflow) from investing activities** | **355.37** | **333.40** |
| C. | **CASH FLOWS FROM FINANCING ACTIVITIES:** | | |
| | Proceeds from long term borrowings | (324.07) | 978.01 |
| | Proceeds from short term borrowings | (154.68) | 1,238.03 |
| | Interest paid | (4,410.62) | (3,007.31) |
| | **Net cash Inflow/(Outflow) from financing activities** | (4,889.37) | (791.27) |
| | **Net increase in cash and cash equivalents** | (26.12) | **17.93** |
| | **Cash and cash equivalents (opening balance)** | 30.60 | 12.67 |
| | **Cash and cash equivalents (closing balance)** | 4.48 | 30.60 |
| | | (26.12) | **17.93** |

**Note:**

1 Increase/(decrease) in long term and short term borrowings are shown net of repayments.

2 Figures in bracket indicates cash out flow.

3 The above cash flow statement has been prepared under the indirect method set out in IND AS - 7 'Statement of Cash Flows'

As per our report of even date
**For P.C. GOYAL & CO.**
Chartered Accountants
Firm Registration No. 002368N

**M.P.JAIN**
Partner
M.No.082407
Place: New Delhi
Dated: 10th May, 2022

P.C. GOYAL & CO. NEW DELHI M.No.082407 FRN-002368N CHARTERED ACCOUNTANTS

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

**Arun Kumar Khosla**
Whole Time Director
DIN - 00038033

**Kumud Nath Mishra**
Whole Time Director
DIN - 09570343

**Ajaya Kumar Biswal**
Chief Financial Officer
M No. F-13297

**Pankaj Agarwal**
Company Secretary
M No. A-26877

# JINDAL RAIL INFRASTRUCTURE LIMITED
## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2022

**A. Equity Share Capital**

(₹ lakhs)

| Balance as at 1st April, 2020 | Changes in equity share capital during the year 2020-21 | Balance as at 31st March, 2021 | Changes in equity share capital during the year 2021-22 | Balance as at 31st Mar, 2022 |
|---|---|---|---|---|
| 3,059.45 | - | 3,059.45 | - | 3,059.45 |

**B.Other Equity**

| Particulars | Equity component of compound financial instruments* | Reserves and Surplus | | Items of Other Comprehensive Income — Items that will not be reclassified to Profit | | Total |
|---|---|---|---|---|---|---|
| | | Securities Premium | Retained Earnings | (i) Remeasurement of Defined Benefit Plans | (ii) Equity Instruments through Other Comprehensive Income | |
| **Balance as at April 1, 2020** | **12,886.70** | **6,108.90** | **(4,401.48)** | **(0.29)** | **203.26** | **14,797.09** |
| Loss for the year 2020-21 | | | (2,793.80) | | | (2,793.80) |
| Other Comprehensive Income for the year 2020-21 | | | | 8.29 | (144.75) | (136.46) |
| **Balance as at March 31, 2021** | **12,886.70** | **6,108.90** | **(7,195.28)** | **8.00** | **58.50** | **11,866.83** |
| Loss for the year 2021-22 | | | (1,919.07) | | | (1,919.07) |
| On conversion of OFCD to CCD existing other equity cancelled | (9,297.59) | | | | | (9,297.59) |
| Transfer of unwinding charges of Optionally Fully Convertible Debentures to retained earnings on conversion to compulsorilyconvertible debentures | (3,589.11) | | 3,589.11 | | | - |
| Conversion of 0% OFCD to 0% Compulsorily convertible debentures | 19,562.94 | | | | | 19,562.94 |
| Other Comprehensive Income for the year 2021-22 | | | | 3.77 | 168.39 | 172.16 |
| **Balance as at March 31, 2022** | **19,562.94** | **6,108.90** | **(5,525.23)** | **11.77** | **226.90** | **20,385.28** |

* 19562941 0% Optionally Fully Convertible Debentures were issued on 31st March 2018 for Rs.19562.94 lakhs (face value Rs.100 each) for 10 years, which has now been converted into 0% compulsorily convertible debentures w.e.f 31-March-2022.

**For P.C. GOYAL & CO.**
Chartered Accountants
Firm Registration No. 002368N

**M.P.JAIN**
Partner
M.No.082407
Place: New Delhi
Dated: 10th May, 2022

P.C. GOYAL & CO. ★ NEW DELHI M.No.082407 FRN-002368N ★ CHARTERED ACCOUNTANTS

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

**Arun Kumar Khosla**
Whole Time Director
DIN - 00038033

**Kumud Nath Mishra**
Whole Time Director
DIN - 09570343

**Ajaya Kumar Biswal**
Chief Financial Officer
M No. F-13297

**Pankaj Agarwal**
Company Secretary
M No. A-26877

**JINDAL RAIL INFRASTRUCTURE LIMITED**
**Notes forming part of Balance sheet**

**Note-1 PROPERTY, PLANT AND EQUIPMENT**

(₹ lakhs)

| Particulars | Land | Temporary Structure | Buildings | Plant and Equipments | Furniture and Fixture | Office Equipment | Vehicles | Electricals Equipments | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Block** | | | | | | | | | | |
| **As at April 1, 2020** | 13,198.62 | 3.47 | 6,835.02 | 11,623.59 | 36.51 | 46.24 | 93.11 | 1,291.37 | 38.75 | 33,166.68 |
| Additions | | | | 608.41 | 0.11 | 2.51 | | | 1.01 | 612.03 |
| (Add)/Less: Disposal/Adjustments | | | | | | | | | | - |
| **As at March 31, 2021** | 13,198.62 | 3.47 | 6,835.02 | 12,232.00 | 36.62 | 48.75 | 93.11 | 1,291.37 | 39.76 | 33,778.71 |
| **Additions** | | | | 1,245.47 | | 2.33 | | | 15.39 | 1,263.19 |
| (Add)/Less: Disposal/Adjustments | | | | 131.00 | | 0.11 | | | | 131.10 |
| **As at March 31, 2022** | 13,198.62 | 3.47 | 6,835.02 | 13,346.47 | 36.62 | 50.98 | 93.11 | 1,291.37 | 55.15 | 34,910.80 |
| **Accumulated Depreciation** | | | | | | | | | | |
| **As at April 1, 2020** | - | 2.02 | 872.49 | 3,074.85 | 29.60 | 29.97 | 51.80 | 545.56 | 25.89 | 4,632.19 |
| Charge for the year | | 0.76 | 132.42 | 458.59 | 2.04 | 3.36 | 8.58 | 81.74 | 4.99 | 692.48 |
| Disposal/Adjustments | | | | | | | | | | - |
| **As at March 31, 2021** | - | 2.79 | 1,004.92 | 3,533.44 | 31.64 | 33.33 | 60.37 | 627.30 | 30.88 | 5,324.67 |
| **Charge for the year** | | 0.51 | 135.93 | 527.87 | 1.02 | 3.20 | 7.83 | 81.81 | 4.32 | 762.48 |
| (Add)/Less: Disposal/Adjustments | | | | 82.89 | | 0.07 | | | | 82.96 |
| **As at March 31, 2022** | - | 3.29 | 1,140.84 | 3,978.43 | 32.66 | 36.46 | 68.21 | 709.10 | 35.20 | 6,004.19 |
| **Net Carrying Amount** | | | | | | | | | | |
| **As at March 31, 2021** | 13,198.62 | 0.68 | 5,830.11 | 8,698.55 | 4.98 | 15.42 | 32.73 | 664.07 | 8.88 | 28,454.04 |
| **As at March 31, 2022** | 13,198.62 | 0.17 | 5,694.18 | 9,368.03 | 3.96 | 14.52 | 24.90 | 582.27 | 19.95 | 28,906.60 |

P.C. GOYAL & CO. ★ CHARTERED ACCOUNTANTS ★
NEW DELHI
M.No.082407
FRN-002368N

**JINDAL RAIL INFRASTRUCTURE LIMITED**
**Notes forming part of Balance sheet**

**Note-2 INTANGIBLE ASSETS** (₹ lakhs)

| Particulars | Software | Total |
|---|---|---|
| **Gross Block** | | |
| **As at April 1, 2020** | **69.97** | **69.97** |
| Additions | | |
| **As at March 31, 2021** | **69.97** | **69.97** |
| Additions | | |
| **As at March 31, 2022** | **69.97** | **69.97** |
| **Accumulated Depreciation** | | |
| **As at April 1, 2020** | **44.44** | **44.44** |
| Charge for the year | **6.56** | **6.56** |
| **As at March 31, 2021** | **51.00** | **51.00** |
| Charge for the period | **4.28** | **4.28** |
| **As at March 31, 2022** | **55.28** | **55.28** |
| **Net Carrying Amount** | | |
| **As at March 31, 2021** | **18.97** | **18.97** |
| **As at March 31, 2022** | **14.69** | **14.69** |

P.C. GOYAL & CO. CHARTERED ACCOUNTANTS NEW DELHI M.No.082407 FRN-002368N

**JINDAL RAIL INFRASTRUCTURE LIMITED**
**Notes forming part of Balance sheet**

(₹ lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **3 Non-Current Investments** | | |
| Equity Shares Fully Paid Up - Unquoted | | |
| **Designated at Fair Value through Other Comprehensive Income** | | |
| 1,00,00,000 Equity Shares of `10/- each of Bharuch Dahej Railway Company Ltd. | 1,305.36 | 1,077.80 |
| **Total Non Current Investments** | **1,305.36** | **1,077.80** |
| **4 Other non-current financial assets** | | |
| **- Security Deposits** | | |
| Unsecured, Considered good | 20.54 | 63.00 |
| Fixed Deposits with bank with remaining maturity more than 12 months | 279.09 | 526.67 |
| **Total Other non-current financial assets** | **299.63** | **589.67** |
| **5 Deferred Tax Assets** | | |
| **(A) Deferred Tax Liability** | | |
| Difference between book and tax base related to Fixed assets | **2,299.02** | **2,212.46** |
| **(B) Deferred Tax Assets** | | |
| Carried forward losses/allownaces | 7,592.72 | 7,609.06 |
| Disallowance under Income Tax Act, 1961 | 32.53 | 32.46 |
| Total Deferred Tax assets | 7,625.25 | 7,641.52 |
| **Net Deferred Tax Asset (B-A)** | 5,326.23 | 5,429.06 |
| **6 Other non-current assets** | | |
| Prepaid Finance Charges | - | - |
| **Total Other non-Current Assets** | - | - |
| **7 Inventories** | | |
| Raw Materials | 2,658.55 | 3,262.65 |
| Work-in-progress | 4,009.72 | 4,713.34 |
| Finished Goods | 1,945.13 | 344.45 |
| Store and Spares | 419.56 | 104.46 |
| Scrap | 3.89 | 23.28 |
| **Total Inventories** | **9,036.85** | **8,448.18** |
| **8 Trade receivables** | | |
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - Unsecured | 2,576.16 | 2,581.14 |
| Trade Receivables which have significant increase in Credit Risk | - | - |
| Trade Receivables - Credit Impaired | - | - |
| **Total Trade Receivables** | **2,576.16** | **2,581.14** |
| **9 Cash and Cash Equivalents** | | |
| **Balances with Banks** | | |
| On current accounts | 2.15 | 20.33 |
| Cash on hand | 2.33 | 2.63 |
| FD in Bank(with remaining maturity of less than 3 months) | - | 7.64 |
| **Total Cash and Cash Equivalents** | **4.48** | **30.60** |

P.C. GOYAL & CO.
NEW DELHI
M.No.082407
FRN-002368N
CHARTERED ACCOUNTANTS

**JINDAL RAIL INFRASTRUCTURE LIMITED**
**Notes forming part of Balance sheet**

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| 10 | **Other Bank Balances** | | |
| | Fixed Deposits with remaining maturity of less than 12 months and other than considered in cash and cash equivalents * | 207.43 | 309.97 |
| | **Total Other Bank Balances** | **207.43** | **309.97** |
| | **Pledged with bank as margin against bank gurantees* | | |
| 11 | **Other Current Financial Assets** | | |
| | Insurance Claim receivable | 26.83 | - |
| | **Total Other Current Financial assets** | **26.83** | **-** |
| 12 | **Current Tax Assets (Net)** | | |
| | Advance taxation (net of provision) | 390.07 | 835.20 |
| | **Total Current Tax Assets (Net)** | **390.07** | **835.20** |
| 13 | **Other current assets** | | |
| | **Unsecured, Considered good** | | |
| | Advance to vendor | 832.90 | 1,777.66 |
| | Advance to Employees | 6.81 | 6.75 |
| | Other Receivables | 4,158.56 | 4,418.02 |
| | **Total Other current assets** | **4,998.27** | **6,202.43** |
| 14 | **Share Capital** | | |
| (a) | **Authorised Share Capital** | | |
| | 3,16,00,000 Equity Shares of `10/- each | 3,160.00 | 3,160.00 |
| (b) | **Issued, Subscribed and Paid Up Capital** | | |
| | 3,05,94,503 Equity Shares of ` 10/- each fully paid up | 3,059.45 | 3,059.45 |
| (c) | **Reconciliation of the number of Shares outstanding at the beginning and at the end of the year** | | |
| | Shares outstanding at the beginning of the year | 305.95 | 305.95 |
| | **Shares outstanding at the end of the year** | **305.95** | **305.95** |

(d) **Shares in the Company held by each shareholder holding more than 5% shares are as under:**

| Name of the Shareholder | As at 3st March 2022 | | As at 31st March 2021 | |
|---|---|---|---|---|
| | No. of Shares Held | % of Holding | No. of Shares Held | % of Holding |
| JITF Urban Infrastructure Services Ltd.* | 305.95 | 100% | 305.95 | 100% |

* Including 700 Shares held by Person/companies as nominee of JITF Urban Infrastructure Services Ltd.

(e) Promoter's share holding at the end of the year

| Promoter Name | No of Shares | % of Total shares | % change during the year |
|---|---|---|---|
| Mr. Prithavi Raj Jindal* | 100 | 0.0003% | Nil |
| Mr. Indresh Batra* | 100 | 0.0003% | |
| Ms. Sminu Jindal* | 100 | 0.0003% | |
| Mr. Sunil Kumar Jain* | 100 | 0.0003% | |
| M/s Renuka Financial Services Ltd* | 100 | 0.0003% | |
| M/s Manjula Finances Ltd* | 100 | 0.0003% | |
| M/s Goswamis Credits & Investment Ltd.* | 100 | 0.0003% | |
| M/s. JITF Urban Infrastructure Services Limited | 30593803 | 99.9979% | |
| Total | 30594503 | 100% | |

*** Hoding shares as nominees of JITF Urban Infrastructure Services Limited**

(e) **Terms/Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of `10/- per equity share. Each equity shareholder is entitled to one vote per share.

(f) **Nature and Purpose of Reserves**

Security premium is created when shares are issued at premium. The Company may issue fully paid-up bonus shares to its members out of the security premium account and can use this for buy-back of shares.

Retained Earnings represent the undistributed profits of the Company.

Other Comprehensive Income Reserve represent the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into:- (i) Items that will not be reclassified to profit and loss (ii) Items that will be reclassified to profit and loss.

15 **Other Equity**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **(i) Equity component of compound financial instruments** | | |
| Equity component of other financial instruments | 19,562.94 | 12,886.70 |
| **(ii) Retained earnings** | | |
| Balance as per last financial statements | (7,195.27) | (4,401.48) |
| Add: Profit after tax transferred from Statement of profit & Loss | (1,919.07) | (2,793.80) |
| Transfer of unwinding charges of Optionally Fully Convertible Debentures to retained earnings on conversion to compulsorilyconvertible debentures | 3,589.11 | - |
| **Total Retained earnings** | (5,525.23) | (7,195.28) |
| **(iii) Other Comprehensive Income Reserve** | | |
| Balance as per last financial statements | 66.51 | 202.97 |
| Add: During the year | 172.16 | (136.46) |
| **Closing Balance** | **238.67** | **66.51** |
| **(iv) Other Reserves** | | |
| **Securities Premium Reserve** | | |
| Balance as per last financial statements | 6,108.90 | 6,108.90 |
| Add: During the year | - | - |
| Less: Deduction/ transfer during the year | - | - |
| **Closing Balance** | **6,108.90** | **6,108.90** |
| **Total Other Equity** | **20,385.28** | **11,866.83** |

P.C. GOYAL & CO. CA NEW DELHI M.No.082407 FRN-002368N CHARTERED ACCOUNTANTS

# JINDAL RAIL INFRASTRUCTURE LIMITED
## Notes forming part of Balance sheet

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| 16 | **Non -Current Borrowings** | | |
| | **Secured** | | |
| | Axis Finance Ltd* | 4,700.43 | 5,753.19 |
| | Demand Loan From PNB** | - | 61.27 |
| | **Unsecured considered good***** | | |
| | JITF Urban Infrastructure Services Limited | - | 1,785.00 |
| | Jindal ITF Limited | - | 823.07 |
| | JITF Commodity Tradex Limited | 14,883.60 | 5,514.25 |
| | JITF Urban Infrastructure Limited | - | 5,913.36 |
| | Debt Component of 0% Optionally Fully Convertible Debentures | - | 6,676.24 |
| | Provision for unwinding charges on fair valuation of 0% Optionally Fully Convertible Debentures | - | 2,543.04 |
| | **Total Non-Current Borrowings** | 19,584.03 | 29,069.42 |

*Term loan of Rs. 5,950.00 lakhs (Previous year - Rs.6,500.00 lakhs) from Axis Finance Ltd. taken in March, 2021 on interest @ 10.00% p.a. for first two years and 10.75% p.a. for remaining 4 years, including Rs. 1,100.00 lakhs shown in current maturity (Previous Year Rs.550.00 lakhs) to refinance the Loan of IFCI Limited is secured by way of :- (i) First pari-passu charge on land, building, movable & immovable fixed assets, both present & future; (ii) First pari-passu charge on all current assets, both present & future; (iii) corporate guarantee of JITF Urban Infrastructure services Limited (JUISL), the holding company and Siddeshwari Tradex Pvt Ltd. The loan is repayable in quarterly instalments with annual payments in FY 2022-23 (Rs. 1,100.00 lakhs), FY 2023-24 (Rs. 1,100.00 lakhs), FY 2024-25 (Rs. 1,252.00 lakhs), FY 2025-26 (Rs. 1,250.00 lakhs), and FY 26-27 (Rs. 1,248.00 lakhs).

Loan is net of amortisation cost

There is no default in repayment of principal and interest thereon.

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| 17 | **Other Financial Liablities (non Current)** | | |
| | Other advance payable | - | 632.50 |
| | **Total Other Financial Liablities** | - | 632.50 |
| 18 | **Provision** | | |
| | **For Employee Benefits** | | |
| | Gratuity | - | - |
| | Leave Encashment | 64.40 | 63.57 |
| | **Total Non-Current Provisions** | 64.40 | 63.57 |
| 19 | **Current Borrowing** | | |
| | **Secured -** | | |
| | - ARKA Fincap Ltd* | - | 1,981.13 |
| | - Punjab National bank** | - | 69.55 |
| | - Working Capital Loan from Bank*** | 3,410.98 | 2,242.83 |
| | - Bill Discounted by bank | 746.72 | |
| | Current maturities of Long term debt-Axis Finance Ltd | 1,100.00 | 550.00 |
| | Current maturities of Demand Loan-Punjab National Bank | 40.53 | 233.33 |
| | **Total Current Borrowings** | 5,298.23 | 5,076.84 |

**Demand Loan of Rs. 40.54 lakhs (Previous year -Rs. 269.534 lakhs) carries interest @ 7.85% p.a. and is secured by way of Pari Passu charge on Current Assets, Corporate Gurantee of JUISL & JITF Infralogistics Ltd. (JIL), the ultimate parent company and Personnal Gurantee of Ms. Sminu Jindal, Director.

***Working capital Loan from bank are secured by hypothecation of current assets comprising of stocks of raw materials, stores and spares, consumables, work in process, finished goods etc, present and future. First paripasu charge on Fixed Assets (Both present and future). First paripasu charge by way of mortgage on land. Corporate guarantee of JITF Urban Infrastructure Services Limited and JITF Infralogistics Limited, the ultimate parent company and Personnal Gurantee of Ms. Sminu Jindal, Director. The rate of interest is ranging from 9.80% p.a. to 11.85% p.a.

Loan is net of amortisation cost.

P.C. GOYAL & CO. NEW DELHI M.NO.082407 FRN 002368N CHARTERED ACCOUNTANTS

**JINDAL RAIL INFRASTRUCTURE LIMITED**
**Notes forming part of Balance sheet**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **20 Trade Payable** | | |
| Micro Enterprises and Small Enterprises* | 215.92 | 150.84 |
| Other than Micro and Small Enterprises | 757.55 | 2,012.68 |
| **Total Trade Payables** | 973.47 | 2,163.52 |

* Principal amount outstanding as at the year end, there is no overdue amount of principal and interest due to Micro and small enterprises. During the year, no interest has been paid to such parties. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **21 Other Financial Liabilities** | | |
| Current maturities of Long term debt-IFCI | - | - |
| Interest Accrued and not due | - | 2.07 |
| Capital Creditors | - | - |
| Payable to Related Parties | 9.05 | 10.46 |
| Other outstanding financial liabilities | 9.10 | 42.93 |
| Due to Employees | 47.17 | 83.13 |
| **Total Other Financial Liablities** | 65.32 | 138.59 |
| **22 Other Current Liabilities** | | |
| Advance from Customers | 3,577.24 | 1,717.12 |
| **Other Payables** | | |
| Statutory Dues | 73.94 | 160.07 |
| **Total Other Current Liabilities** | 3,651.18 | 1,877.19 |
| **23 Provisions** | | |
| **For Employee Benefits** | | |
| Gratuity | - | - |
| Leave Encashment | 30.16 | 29.15 |
| **Total Current Provisions** | 30.16 | 29.15 |

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**JINDAL RAIL INFRASTRUCTURE LIMITED**
**Notes forming part of Statement of Profit and Loss**

(₹ lakhs)

| | Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|---|---|---|---|
| 24 | **Revenue from Operations** | | |
| | Sale of Products-Railway wagons and Parts | 25,210.08 | 11,301.32 |
| | **Other operating revenue** | | |
| | Sale of scrap | 440.33 | 111.34 |
| | Export and other government incentives | 20.64 | 18.23 |
| | **Total Revenue from Operations** | **25,671.05** | **11,430.89** |
| 25 | **Other Income** | | |
| | Interest Income | 85.00 | 66.60 |
| | Miscellaneous Income | 7.29 | 13.06 |
| | Gain on Foreign Exchange Fluctuation | 14.17 | 19.07 |
| | **Total Other Income** | **106.46** | **98.73** |
| 26 | **Changes in inventories of finished goods, Stock-in -Trade and work- in-progress** | | |
| | **Opening Stock** | | |
| | Work-in-progress | 4,713.34 | 5,218.70 |
| | Finished Goods | 344.45 | 668.85 |
| | Scrap | 23.28 | - |
| | **Total Opening Stock (a)** | **5,081.07** | **5,887.55** |
| | **Closing Stock** | | |
| | Work-in-progress | 4,009.72 | 4,713.34 |
| | Finished Goods | 1,945.13 | 344.45 |
| | Scrap | 3.89 | 23.28 |
| | **Total Closing Stock (b)** | **5,958.74** | **5,081.07** |
| | **Sub total (a-b)** | **(877.67)** | **806.48** |
| | Less : Captive Consumption out of opening Work in progress | 1,061.58 | 517.46 |
| | **Total changes in inventories of finished goods, Stock-in -Trade and work- in-progress** | **(1,939.25)** | **289.02** |
| 27 | **Employee Benefits Expenses** | | |
| | Salary and wages | 993.32 | 949.68 |
| | Contribution to Provident and other Funds | 45.96 | 47.72 |
| | Workmen and staff Welfare | 60.47 | 32.98 |
| | **Total Employee Benefits Expenses** | **1,099.75** | **1,030.38** |

P.C. GOYAL & CO. ★ CHARTERED ACCOUNTANTS ★ NEW DELHI M.No.082407 FRN-002368N

**JINDAL RAIL INFRASTRUCTURE LIMITED**
**Notes forming part of Statement of Profit and Loss**

(₹ lakhs)

| | Particulars | Year ended 31st March, 2022 | Year ended 31st March, 2021 |
|---|---|---|---|
| 28 | **Finance Costs** | | |
| | Interest on Term Loan | 710.43 | 918.89 |
| | Interest on Bank Borrowings | 460.09 | 389.74 |
| | Interest on Inter Corporate Loan | 1,651.92 | 1,506.80 |
| | Bank and Finance Charges | 542.11 | 191.88 |
| | Unwinding Charges on fair valuation of 0% OFCD | 1,046.07 | 939.47 |
| | **Total Finance Costs** | **4,410.62** | **3,946.78** |
| 29 | **Depreciation and Amortisation Expense** | | |
| | Depreciation | 762.48 | 692.49 |
| | Amortisation | 4.28 | 6.56 |
| | **Total Depreciation and amortisation expense** | **766.76** | **699.05** |
| 30 | **Other Expenses** | | |
| | Store and Spares Consumed | 29.27 | 299.21 |
| | Power and Fuel | 159.66 | 105.88 |
| | Job Work Charges | 718.25 | 323.13 |
| | Repairs to Plant and Machinery | 212.07 | 120.96 |
| | Repairs to Buildings | 39.29 | 50.62 |
| | RDSO Expenses | 421.32 | 295.98 |
| | Other Manufacturing Expenses | 13.89 | 12.02 |
| | Travelling and Conveyance | 103.70 | 80.42 |
| | Insurance | 48.61 | 38.68 |
| | Auditor's Remuneration | | |
| | -As Audit Fees | 0.24 | 0.24 |
| | Cost Auditor's remuneration | 0.50 | 0.50 |
| | Legal and Professional | 58.71 | 22.18 |
| | Business Support Services | 83.03 | 75.63 |
| | Communication costs | 8.60 | 9.38 |
| | Rates and Taxes | 39.35 | 22.47 |
| | Rent | 9.25 | 11.06 |
| | Repair and Maintenance - Others | 49.66 | 56.51 |
| | Director Sitting Fees | 0.60 | 0.60 |
| | Vehicle Upkeep and Maintenance | 57.37 | 64.94 |
| | Security Charges | 47.01 | 46.68 |
| | Printing and Stationery | 3.73 | 3.34 |
| | Fees and Subscription | 0.20 | 0.01 |
| | Books and periodicals | 0.04 | 0.11 |
| | Business Promotion | 15.03 | 11.41 |
| | Loss on Discard of Assets | 48.04 | - |
| | House Keeping Expense | 38.95 | 34.38 |
| | Forwarding Charges | 27.36 | 45.80 |
| | Sundry balances Written Off | - | 0.00 |
| | Liquidated Damages | 51.39 | - |
| | Miscellaneous Expenses | 39.33 | 40.19 |
| | **Total Other Expenses** | **2,324.45** | **1,772.33** |

P.C. GOYAL & CO. ★ CHARTERED ACCOUNTANTS ★ NEW DELHI M.NO.082407 FRN-002368N

# Jindal Rail Infrastructure Limited
# Significant Accounting Policies and Notes to Financial Statements
# Note-31

**1. Corporate and General Information**

Jindal Rail Infrastructure Limited ("JRIL" or "the Company") is domiciled and incorporated in India. The registered office of JRIL is situated at A-1, UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, District Mathura, 281403 (U.P.) India.

The Company is engaged in manufacture and supply of railway wagons to domestic and international market.

**2. Basis of preparation**

The Annual financial statement have been prepared complying with all Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2015.

The Company has consistently applied the accounting policies used in the preparation for all periods presented.

The Significant accounting policies used in preparing the financial statements are set out in Note no. 31.3 of the Notes to these Financial Statements.

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013. These amendments are applicable for the reporting period beginning on or after April 1, 2021. The amendment encompasses significant additional disclosure requirements and includes certain changes to the existing disclosures. The Company has applied and incorporated the requirements of amended Division II of Schedule III of the Companies Act, 2013 while preparing these standalone financial statements based on available information including exposure draft of revised guidance note on Division II- Ind AS schedule III to the Companies Act, 2013 issued by the corporate laws & corporate governance committee of the Institute of Chartered Accountants India (ICAI).

**3. Significant Accounting Policies**

**3.1 Basis of Measurement**

The financial statements have been prepared on a going concern and accrual basis and under the historical cost convention except following which have been measured at fair value:

- financial assets and liabilities except certain Investments and borrowings carried at amortised cost,
- defined benefit plans – plan assets measured at fair value,
- derivative financial instruments,

**3.2** The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 31.4 on critical accounting estimates, assumptions and judgements).

The standalone financial statements are presented in Indian Rupees (₹ ), which is the Company's functional and presentation currency and all amounts are rounded to the nearest rupees thereof, except as stated otherwise.

**3.3 Property, Plant and equipment**

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, If any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:

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| Category of Assets | Years |
|---|---|
| - Temporary Structure | 3 |
| - Building | 30 - 50 |
| **Equipment & Machinery** | |
| - Plant & Machinery | 5 - 45 |
| - Electrical Installation | 5 - 15 |
| **Othet equipment, operating & office equipment** | |
| - Computer Equipment | 3 - 8 |
| - Furniture & Fixture | 5 - 10 |
| - Office Equipment | 3 - 15 |
| - Vehicles | 10 |

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

**3.4 Intangible Assets**

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

Computer software's are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding five years on straight line basis. The assets' useful lives are reviewed at each financial year end.

**3.5 Impairment of non-current assets**

Non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**3.6 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments..

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are being considered as integral part of the Company's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**3.7 Inventories**

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. 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 weighted average basis.

**3.8 Employee benefits**

a) 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. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly

P.C. GOYAL & CO. CHARTERED ACCOUNTANTS NEW DELHI M.No.082407 FRN.002368N within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Leave encashment 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 profit and loss in the period in which they arise.

c) 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.

d) The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees (₹) is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

The Company operates defined benefit plans for gratuity, which requires contributions to be made to a separately administered fund. Funds are managed by trust. This trust has policy from an insurance company.

**3.9 Foreign currency reinstatement and translation**

***(a) Functional and presentation currency***

The financial statements have been presented in Indian Rupees (₹ ) , which is the Company's functional and presentation currency.

***(b) Transactions and balances***

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the yearend exchange rates are recognised in statement of profit and loss.

Exchange gain and loss on debtors, creditors and other than financing activities are presented in the statement of profit and loss, as other income and as other expenses respectively. Foreign exchange gain and losses on financing activities to the extent that they are regarded as an adjustment to interest costs are presented in the statement of profit and loss as finance cost and balance gain and loss are presented in statement of profit and loss as other income and as other expenses respectively.

Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

**3.10 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.

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**a. Financial Assets**

Financial Assets are classified at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing these assets changes.

For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

**Measurement**
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Investment in Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVPL):** Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as at financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are at each reporting date fair valued with all the changes recognized in the statement of profit or loss.

**Trade receivables**

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables, the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counter party is in default under the terms of the agreement.

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Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other Income.

**Investment in equity shares**

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in equity securities are held for trading purposes. The fair value gains or losses of all other equity securities are recognized in Other Comprehensive Income. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss. Dividends from such investments are recognised in profit and loss as other income when the company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

***De-recognition of financial asset***

A financial asset is derecognised only when
- The company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**b) Financial Liabilities**

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

**i. Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

**ii. Financial liabilities measured at amortized cost**

**Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in

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profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the company has unconditional right to defer settlement of the liability for at least twelve months after reporting period.

**Trade and other payables**

A payable is classified as "trade payable" if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**De-recognition of financial liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

**3.11 Equity share capital**

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

**3.12 Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

**3.13 Taxation**

Income tax expenses or credit for the period comprised of tax payable on the current period's taxable income based on the applicable income tax rate, the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, minimum alternative tax (MAT) and previous year tax adjustments.

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, such change could be for change in tax rate.

The current income tax charge or credit is calculated on the basis of the tax law enacted after considering allowances, exemptions and unused tax losses under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax base of assets



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and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

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.

The Company recognises Credit of MAT as an asset when there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss account and included in the deferred tax assets. The carrying amount of MAT is reviewed at each balance sheet date.

**3.14 Revenue recognition and other operating income**

***a) Sale of goods***
Revenue from sale of goods is recognised when control of products, being sold has been transferred to the customer and when there are no longer any unfulfilled obligations to the customer.

**b) Other Operating Income**
Government Grants related to operations are recognised in books after due consideration of certainty of utilization/receipt of such incentives.

**c) Other Income**

**Interest**
Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividend**
Dividend income is recognised when the right to receive dividend is established.

**3.15 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 shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' 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.

**3.16 Provisions and contingencies**

**a) Provisions**

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. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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# Jindal Rail Infrastructure Limited
# Significant Accounting Policies and Notes to Financial Statements
# Note-31

**b) Contingencies**

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

**3.17 Current versus 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 notified by MCA.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,
b) It is held primarily for the purpose of trading,
c) It is 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.

**3.18 Compound financial instruments**

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements .At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole.

**3.19 Derivative financial instruments**

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

**3.20 Recent accounting pronouncements**

New and amended standards applied

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The group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

• Extension of COVID-19 related concessions – amendments to Ind AS 116

• Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Ministry of Corporate Affairs ("MCA") has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

Ministry of Corporate Affairs ("MCA") amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Ministry of Corporate Affairs ("MCA") amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the group has changed the classification/presentation of

(i) current maturities of long-term borrowings

(ii) security deposits, in the current year.

The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

**3.21 Leases**

**Lease accounting by lessee**

Company as lessee will measure the right-of-use asset at cost by recognition a right-of-use asset and a lease liability on initial measurement of the right-of-use asset at the commencement date of the lease.

The cost of the right-of-use asset will comprise:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date less any incentives received,
- any initial direct costs incurred
- an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Lease liability will be initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if the rate cannot be readily determined incremental borrowing rate will be considered. Interest on lease liability in each period during the lease will be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

Lease payments will comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments less any lease incentives receivable
- variable lease payments

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- amounts expected to be payable under residual value guarantees
- the exercise price of a purchase option, if the Company is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Subsequent measurement of the right-of-use asset after the commencement date will be at cost model, the value of right-of-use asset will be initially measured cost less accumulated depreciation and any accumulated impairment loss and adjustment for any re-measurement of the lease liability.

The right-of-use asset will be depreciated from the commencement date to the earlier of the end of the useful life of the asset or the end of lease term, unless lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-asset reflects that the Company will exercise a purchase option, in such case the Company will depreciate asset to the end of the useful life.

Subsequent measurement of the lease liability after the commencement date will reflect the initially measured liability increased by interest on lease liability, reduced by lease payments and re-measuring the carrying amount to reflect any re-assessment or lease modification.

Right-of-use asset and lease liability are presented on the face of balance sheet. Depreciation charge on right-to-use is presented under depreciation expense as a separate line item. Interest charge on lease liability is presented under finance cost as a separate line item. Under the cash flow statement, cash flow from lease payments including interest are presented under financing activities. Short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented as cash flows from operating activities.

The Company has elected to adopt the practical expedient not to account for short term leases or leases for which the underlying asset is of low value, as right-of-use assets. Company will recognise these lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

**Lease accounting by lessor**

Company as a lessor need to classify each of its leases either as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

**Finance lease**

At the commencement date, will recognise assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. Net investment is the discount value of lease receipts net of initial direct costs using the interest rate implicit in the lease. For subsequent measurement of finance leased assets, the Company will recognise interest income over the lease period, based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the lease.

**Operating lease**

Company will recognise lease receipts from operating leases as income on either a straight-line basis or another systematic basis. Company will recognise costs, including depreciation incurred in earning the lease income as expense.

**4.0 Critical accounting estimates, assumptions and judgements**

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

***(a) Property, plant and equipment***

External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable, the estimates and assumptions made to determine depreciation are critical to the Company's financial position and performance.

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***(b) Intangibles***

Internal technical or user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

***(c) Income taxes***

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. 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 significant adjustment to the amounts reported in the standalone financial statements.

***(d) Contingencies***

Management judgement is required for estimating the possible outflow of resources, 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.

***(e) Allowance for uncollected accounts receivable and advances***

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

**(f) *Insurance claims***

Insurance claims are recognised when the Company have reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

**(g) *Liquidated damages***

Liquidated damages payable are estimated and recorded as per contractual terms; estimate may vary from actuals as levy by customer.

**5. Financial risk management**

**5.1 Financial risk factors**

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risks:

i) Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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. This is based on the financial assets and financial liabilities held as of March 31, 2022 and March 31, 2021.

ii) Credit risk
Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

iii) 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.

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Risk management is carried out by the treasury department under policies approved by the board of directors. The treasury team identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

**Market Risk**

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

***(a) Foreign exchange risk and sensitivity***

The Company transacts business primarily in Indian Rupee and USD. The Company has foreign currency trade receivable but no foreign currency trade payables outstanding as on 31st March, 2022 and is therefore, not exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies.

(In.₹ )

| Particulars | Net monetary items in respective currency receivable on reporting date | Change in currency rate | Effect on profit/ (loss) before tax |
|---|---|---|---|
| **For the year ended March 31, 2022** | | | |
| USD | - | 5% | - |
| | | -5% | - |
| **For the year ended March 31, 2021** | | | |
| USD | 7,04,558 | 5% | 25.76 |
| | | -5% | (25.76) |

Summary of exchange difference accounted in statement of Profit and Loss:

(₹ lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Net foreign exchange gain/ (loss) as other income | 14.17 | 19.07 |

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

***(b) Interest rate risk and sensitivity***

The Comapny's exposure to the risk of changes in market interest rates relates primarily to long term debt. The management also maintains a portfolio mix of floating and fixed rate debt.

With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings.

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(₹ lakhs)

| Particulars | Increase/ Decrease in basis points | Effect on Profit before tax |
|---|---|---|
| **For the year ended March 31, 2022** | | |
| INR Borrowing | +50 | (91.47) |
| | -50 | 91.47 |
| **For the year ended March 31, 2021** | | |
| INR Borrowing | +50 | (113.31) |
| | -50 | 113.31 |

**(i) Interest rate and currency of borrowings**

(₹ lakhs)

| Particulars | Total Borrowing | Floating rate borrowing | Fixed rate borrowing | Weighted Average rate |
|---|---|---|---|---|
| INR | 24,882.26 | 18,294.57 | 6,587.69 | |
| **Total as at March 31, 2022** | **24,882.26** | **18,294.57** | **6,587.69** | **11.28%** |
| INR | 31,603.22 | 22,131.68 | 9,471.54 | |
| **Total as at March 31, 2021** | **31,603.22** | **22,131.68** | **9,471.54** | **11.40%** |

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

**(c) Commodity price risk and sensitivity**

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The company enter into contracts for procurement of material, most of the transactions are short term fixed price contract and a very few transactions are long term fixed price contracts.

**Credit risk**

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.

**(i) Trade Receivables**

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from its customers & distributors, which mitigate the credit risk to an extent.

The ageing of trade receivable is as below:

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(₹ lakhs)

| Particulars | Neither due nor impaired | Past Dues | | | Total |
|---|---|---|---|---|---|
| | | Up to 6 months | 6 to 12 months | Above 12 months | |
| <u>**Trade Receivable**</u> | | | | | |
| **As at March 31,2022** | | | | | |
| Trade Receivable | | | | | |
| Unsecured considered good | 2,495.14 | 71.83 | 4.91 | 4.28 | 2,576.16 |
| **As at March 31,2021** | | | | | |
| Trade Receivable | | | | | |
| Unsecured considered good | 1,328.87 | 535.90 | - | 716.38 | 2,581.14 |

**Liquidity risk**

The Company's objective is to; at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.. In case of temporary short fall in liquidity to repay the bank borrowing/operational short fall , the company uses mix of capital infusion and borrowing from its holding company. However, the company envisage that such short fall is temporary and the company would generate sufficient cash flows as per approved projections.

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

(₹ lakhs)

| Particular | Maturity Profile ( March 31, 2022) | | | | | |
|---|---|---|---|---|---|---|
| | Carrying Amount | On Demand | Less Than 6 Months | 6 to 12 Months | >1 Years | Total |
| Interest Bearing Borrowing | 24,882.26 | - | 787.26 | 4,510.98 | 19,584.03 | 24,882.26 |
| Other Liabilities | 65.32 | - | 65.32 | - | - | 65.32 |
| Trade And Other Payables | 973.47 | 226.75 | 746.72 | - | - | 973.47 |
| **Total** | **25,921.05** | **226.75** | **1,599.30** | **4,510.98** | **19,584.03** | **25,921.05** |

(₹ lakhs)

| Particular | Maturity Profile ( March 31, 2021) | | | | | |
|---|---|---|---|---|---|---|
| | Carrying Amount | On Demand | Less Than 6 Months | 6 to 12 Months | >1 Years | Total |
| Interest Bearing Borrowing | 31,603.22 | - | 186.22 | 4,890.63 | 26,526.38 | 31,603.22 |
| Other Liabilities | 3,314.13 | - | 138.59 | - | 3,175.54 | 3,314.13 |
| Trade And Other Payables | 2,163.52 | 1,657.12 | 506.40 | - | - | 2,163.52 |
| **Total** | **37,080.87** | **1,657.12** | **831.20** | **4,890.63** | **29,701.92** | **37,080.87** |

The Company is required to maintain ratios (including total debt to EBITDA / net worth, EBITDA to gross interest, debt service coverage ratio and secured coverage ratio) as mentioned in the loan agreements at specified levels. In the event of failure to meet any of these ratios these loans become callable at the option of lenders, except where exemption is provided by lender.

The below table demonstrate the borrowing of fixed and floating rate of interest:

**5.2 Competition and price risk**

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

**5.3 Capital risk management**

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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 primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended March 31, 2022 and March 31, 2021.

For the purpose of the Company's capital management, capital includes issued capital, compulsorily convertible debentures, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits, excluding discontinued operations.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The Gearing ratio for FY 2021-22 and 2020-21 is an under.

**(₹ lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Loans And Borrowings | 24,882.26 | 31,603.22 |
| Less: Cash And Cash Equivalents | 4.48 | 30.60 |
| **Net Debt** | **24,877.78** | **31,572.62** |
| Equity | 23,444.73 | 14,926.28 |
| **Total Capital** | **48,322.51** | **46,498.91** |
| **Gearing Ratio** | **51.48%** | **67.90%** |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

**6. Fair value of financial assets and liabilities**

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

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(₹ lakhs)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Carrying amount | Fair Value | Carrying amount | Fair Value |
| **Financial assets designated at fair value through profit and loss** | | | | |
| Forward Contract | - | - | - | - |
| **Financial assets designated at amortised cost** | | | | |
| Fixed deposits with banks | 486.52 | 486.52 | 836.64 | 836.64 |
| Cash and bank balances | 4.48 | 4.48 | 30.60 | 30.60 |
| Investment | 1,305.36 | 1,305.36 | 1,077.80 | 1,077.80 |
| Trade and other receivables | 2,576.16 | 2,576.16 | 2,581.14 | 2,581.14 |
| Other financial assets | 47.37 | 47.37 | 62.99 | 62.99 |
| **Total** | **4,419.89** | **4,419.89** | **4,589.17** | **4,589.17** |
| **Financial liabilities designated at amortised cost** | | | | |
| Borrowings- fixed rate | 6,587.69 | 6,587.69 | 9,471.54 | 9,471.54 |
| Borrowings- floating rate | 18,294.57 | 18,294.57 | 22,131.68 | 22,131.68 |
| Trade and other payables | 973.47 | 973.47 | 2,163.52 | 2,163.52 |
| Other financial liabilities | 65.32 | 65.32 | 3,314.13 | 3,314.13 |
| **Total** | **25,921.05** | **25,921.05** | **37,080.87** | **37,080.87** |

**Fair Valuation techniques**

The Company maintains policies and 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:

1) Fair value of cash and deposits, 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.
2) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.
3) The fair value of fixed interest bearing loans, borrowings and deposits is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

**Fair Value hierarchy**

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

- Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value( NAV) is published mutual fund operators at the balance sheet date.

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable. Derivatives included interest rate swaps and foreign currency forwards.

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- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Fair value hierarchy**

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

**Assets/Liabilities measured at fair value through OCI (accounted).**

(₹ lakhs)

| Particulars | As at March 31, 2022 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | |
| Non Current Investment | | 1,305.36 | |

(₹ lakhs)

| Particulars | As at March 31, 2021 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | |
| Non Current Investment | | 1,077.80 | |

(₹ lakhs)

| Particulars | As at March 31, 2022 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial liabilities** | | | |
| Borrowings- fixed rate | | 6,587.69 | |
| Borrowings- floating rate | | 18,294.57 | |
| Other financial liabilities | | 65.32 | |

(₹ lakhs)

| Particulars | As at March 31, 2021 | | |
|---|---|---|---|
| | Level 1 | Level 2 | Level 3 |
| **Financial liabilities** | | | |
| Borrowings- fixed rate | | 9,471.54 | |
| Borrowings- floating rate | | 22,131.68 | |
| Other financial liabilities | | 3,314.13 | |

**Assets / Liabilities for which fair value is disclosed:**

During the year ended March 31, 2022 and March 31, 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Following table describes the valuation techniques used and key inputs to valuation within level 2 and 3, and quantitative information about significant unobservable inputs for fair value measurements within Level 3 of the fair value hierarchy as of March 31, 2022 and March 31, 2021, respectively:

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a) **Assets / Liabilities measured at fair value**

| Particulars | Fair value hierarchy | Valuation technique | Inputs used | Quantitative information about significant unobservable inputs |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Non Current Investment | Level 2 | Market valuation techniques | Net worth from Publised financials | - |

b) **Assets / Liabilities for which fair value is disclosed**

| Particulars | Fair value hierarchy | Valuation technique | Inputs used |
|---|---|---|---|
| **Financial liabilities** | | | |
| Other borrowings- fixed rate | Level 2 | Discounted Cash Flow | Prevailing interest rates in market, Future payouts |
| Other financial liabilities | Level 2 | Discounted Cash Flow | Prevailing interest rates to discount future cash flows |

**7. Segment information**

**Information about primary segment**
The Company has only one segment i.e. manufacturing of Rail Wagons.

**Information about Geographical Segment – Secondary**

The Company's operations are located in India. The following table provides an analysis of the Company's sales by geography in which the customer is located, irrespective of the origin of the goods.

(₹ lakhs)

| Particulars | 2021-22 | | | 2020-21 | | |
|---|---|---|---|---|---|---|
| | Within India | Outside India | Total | Within India | Outside India | Total |
| **Gross Revenue from Operations** | 25,370.52 | 300.53 | 25,671.05 | 10,293.76 | 1,137.12 | 11,430.89 |
| **Non current Assets** | 28,940.21 | - | 28,940.21 | 28,473.01 | - | 28,473.01 |

**8. Income tax expense**

(₹ lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Deferred Tax | | |
| -Relating to origination & reversal of temporary differences | (42.35) | 650.91 |
| -Relating to Change in tax rate | - | 155.16 |
| **Total Tax (Income)/ Expense** | **(42.35)** | **806.07** |
| Deferred Tax of OCI | | |
| **(a)Re-measurement gains/(losses) on defined benefit plans** | (1.32) | (2.91) |
| **(b)(Gain/(loss) on Fair valuation of Long Term Investment)** | (59.17) | **50.86** |
| **Total Tax (Income)/ Expense** | **(102.84)** | **854.02** |

**Effective Tax Reconciliation:**

A reconciliation of the theoretical income tax expense / (benefit) applicable to the profit / (loss) before income tax at the statutory tax rate in India to the income tax expense / (benefit) at the Company's effective tax rate is as follows:

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# Significant Accounting Policies and Notes to Financial Statements
# Note-31

(₹ lakhs)

| S.No | Description | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|
| | Net Loss/ (Income) before taxes | (1,876.72) | (3,599.87) |
| | Enacted tax rates | 26.00% | 26.00% |
| | Computed tax Income/ (expense) | 487.95 | 935.97 |
| | **Increase/(reduction) in taxes on account of:** | | |
| 1 | Deferred Tax of previous years | (284.13) | 11.20 |
| 2 | Other non deductable expenses | (246.17) | (296.25) |
| 3 | Effect of change in tax rate | - | 155.16 |
| | **Income tax (Income)/ Expense reported** | **(42.35)** | **806.07** |
| | **Component of tax accounted in OCI and equity** | | |
| | **(a)Re-measurement gains/(losses) on defined benefit plans** | (1.32) | (2.91) |
| | **(b)(Gain/(loss) on Fair valuation of Long Term Investment)** | **(59.17)** | **50.86** |

**9. Deferred Income Tax**

Major component of deferred tax provided for in statement of Profit and Loss Account

(₹ lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Book base and tax base of Fixed Assets | (86.56) | (135.15) |
| (Disallowance)/Allowance(net) under Income Tax | 0.06 | 2.88 |
| Brought forward losses set off | (16.34) | 986.28 |
| | | - |
| Total | (102.84) | 854.02 |

**10. Retirement benefit obligations**

**(i) Expense recognised for Defined Contribution plan**

(₹ lakhs)

| **Particulars** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
|---|---|---|
| Company's contribution to provident fund | 43.27 | 44.96 |
| Company's contribution to ESI | 1.73 | 1.79 |
| **Total** | **45.00** | **46.75** |

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2022 and March 31, 2021, being the respective measurement dates:

**(ii) Movement in defined benefit obligation**

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# Jindal Rail Infrastructure Limited
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# Note-31

(₹ lakhs)

| Particulars | Gratuity (funded) | Leave encashment (unfunded) |
|---|---|---|
| **Present value of obligation - April 1, 2020** | 115.60 | 85.20 |
| Current service cost | 14.96 | 12.97 |
| Interest cost | 8.09 | 5.96 |
| Benefits paid | - | (31.67) |
| Acquisitions / Transfer in/ Transfer out | (0.76) | - |
| Remeasurements - actuarial loss/ (gain) | (11.36) | 20.25 |
| **Present value of obligation - March 31, 2021** | **126.53** | **92.71** |
| **Present value of obligation - April 1, 2021** | 126.53 | 92.71 |
| Current service cost | 12.51 | 11.90 |
| Interest cost | 9.17 | 6.72 |
| Benefits paid | (10.64) | (16.29) |
| Benefits Received | - | - |
| Remeasurements - actuarial loss/ (gain) | (5.84) | (0.50) |
| **Present value of obligation - March 31, 2022** | **131.73** | **94.54** |

**(iii) Movement in Plan Assets – Gratuity**

(₹ lakhs)

| **Particulars** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
|---|---|---|
| Fair value of plan assets at beginning of year | 133.96 | 122.77 |
| Expected return on plan assets | 9.71 | 8.59 |
| Employer contributions | 2.48 | 3.51 |
| Benefits paid | (10.64) | (0.76) |
| Benefits Received | - | - |
| Acquisitions / Transfer in/ Transfer out | - | - |
| Actuarial gain / (loss) | (0.74) | (0.15) |
| Fair value of plan assets at end of year | **134.77** | **133.96** |
| Present value of obligation | 131.73 | 126.53 |
| Net funded status of plan | 3.03 | 7.43 |
| Actual return on plan assets | **8.97** | **8.44** |

The components of the gratuity & leave encashment cost are as follows:

**(iv) Recognised in profit and loss**

(₹ lakhs)

| **Particulars** | **Gratuity** | **Leave encashment** |
|---|---|---|
| Current Service cost | 14.96 | 12.97 |
| Interest cost | 8.09 | 5.96 |
| Expected return on plan assets | (8.59) | - |
| Remeasurement - Acturial loss/(gain) | - | 20.25 |
| **For the year ended March 31, 2021** | **14.46** | **39.19** |
| Current Service cost | 12.51 | 11.90 |
| Interest cost | 9.17 | 6.72 |
| Expected return on plan assets | (9.71) | - |
| Remeasurement - Acturial loss/(gain) | - | (0.50) |
| **For the year ended March 31, 2022** | **11.97** | **18.12** |
| Actual return on plan assets | 8.97 | |

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**Note-31**

**(v) Recognised in other comprehensive income**

**(₹ lakhs)**

| **Particulars** | **Gratuity** |
|---|---|
| Remeasurement - Acturial loss/(gain) | (13.13) |
| For the year ended March 31, 2021 | (13.13) |
| Remeasurement - Acturial loss/(gain) | (18.23) |
| For the year ended March 31, 2022 | (18.23) |

**(vi) The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:**

| **Weighted average actuarial assumptions** | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| Attrition rate | 5.00% PA | 5.00% PA |
| Discount Rate | 7.25% PA | 7.00% PA |
| Expected Rate of increase in Compensation levels | 6.50% PA | 6.50% PA |
| Expected Rate of Return on Plan Assets | 7.50% PA | 7.50% PA |
| Mortality rate | IALM 2012-14 | IALM 2012-14 |
| Expected Average remaining working lives of employees (years) | 40.5 | 39.9 |

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

**(₹ lakhs)**

| **Particulars** | **Gratuity** |
|---|---|
| 01 Apr 2022 to 31 Mar 2023 | 40.31 |
| 01 Apr 2023 to 31 Mar 2024 | 5.17 |
| 01 Apr 2024 to 31 Mar 2025 | 2.57 |
| 01 Apr 2025 to 31 Mar 2026 | 3.92 |
| 01 Apr 2025 to 31 Mar 2027 | 8.16 |
| 01 Apr 2027 Onwards | 71.61 |

**(vii) Statement of Employee benefit provision**

**(₹ lakhs)**

| **Particulars** | **Year ended March 31, 2022** | **Year ended March 31, 2021** |
|---|---|---|
| Gratuity | - | - |
| Leave encashment | 94.56 | 92.72 |
| **Total** | **94.56** | **92.72** |

**(viii) Current and non-current provision for Gratuity and leave encashment**

**As At March 31, 2021** **(₹ lakhs)**

| **Particulars** | **Gratuity** | **Leave encashment** |
|---|---|---|
| Current provision | - | 29.15 |
| Non current provision | - | 63.57 |
| **Total Provision** | **-** | **92.72** |

**As At March 31, 2022** **(₹ lakhs)**

| **Particulars** | **Gratuity** | **Leave encashment** |
|---|---|---|
| Current provision | - | 30.16 |
| Non current provision | - | 64.40 |
| **Total Provision** | **-** | **94.56** |

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# Jindal Rail Infrastructure Limited
# Significant Accounting Policies and Notes to Financial Statements
# Note-31

**(ix) Employee benefit expenses**

(₹ lakhs)

| Employee benefit expenses | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Salaries and Wages | 993.32 | 949.68 |
| Costs-defined contribution plan | 45.96 | 47.72 |
| Welfare expenses | 60.47 | 32.98 |
| **Total** | **1,099.75** | **1,030.38** |

( Figures in no.)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Average no of people employed | 100 | 101 |

**OCI presentation of defined benefit plan**

-Gratuity is in the nature of defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under OCI as Items that will not be reclassified to profit or loss and also the income tax effect on the same.

-Leave encashment cost is in the nature of short term employee benefits.

**Presentation in Statement of Profit and Loss and Balance Sheet**

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit and Loss.

IND AS 19 do not require segregation of provision in current and non-current, however net defined liability ( Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

**11. Other disclosures**

**a) Auditors Remuneration**

(₹ lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **1. Statutory Auditors** | | |
| i. Audit Fee | 0.24 | 0.24 |
| **Total** | **0.24** | **0.24** |
| **2. Cost Auditors** | | |
| i. Audit Fee | 0.50 | 0.50 |
| **Total** | **0.50** | **0.50** |

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**12. Contingent liabilities**

(₹ lakhs)

| Particulars | As at 31st March, 2022 | As at 31st March, 2021 |
|---|---|---|
| Bank Guarantees issued by the Company's bankers on behalf of the Company | 5,285.96 | 4,655.69 |
| Bank Guarantees issued by the Holding Company's bankers on behalf of the Company | - | - |
| Foreign/Inland Letter of Credit issued by the Holding Company's bankers on behalf of the Company | - | - |
| Foreign/Inland Letter of Credit issued by the Company's bankers on behalf of the Company | 2,306.90 | 1,307.60 |
| **Total** | **7,592.86** | **5,963.29** |

It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

**13. Related party transactions**

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are:

Related party name and relationship

**(i) Key Managerial personnel**

| S. No. | Name | Particulars |
|---|---|---|
| 1 | Ms. Sminu Jindal | Director |
| 2 | Mr. Arun Kumar Khosla | Whole Time Director |
| 3 | Mr. Pawan Kumar Agrawal | Whole Time Director |
| 4 | Mr. Dhananjaya Pati Tripathi | Independent Director |
| 5 | Mr. Ajaya Kumar Biswal | Chief Financial Officer |
| 6 | Mr. Pankaj Agarwal | Company Secretary |

**(ii) Parent, direct subsidiaries and indirect subsidiaries.**

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# Jindal Rail Infrastructure Limited
# Significant Accounting Policies and Notes to Financial Statements
## Note-31

| S. No. | Name of the Entity | Relationship |
|---|---|---|
| 1 | JITF Infralogistics Limited | Ultimate Parent Company |
| 2 | JITF Urban Infrastructure Services Limited | Holding Company |
| 3 | JWIL Infra Limited | Fellow Holding |
| 4 | JITF Urban Infrastructure Limited | Fellow Holding |
| 5 | JITF Urban Waste Management (Bathinda) Limited | Fellow Step Down Subsidiary |
| 6 | Jindal Urban Waste Management (Visakhapatnam) Limited | Fellow Step Down Subsidiary |
| 7 | Jindal Urban Waste Management (Guntur) Limited | Fellow Step Down Subsidiary |
| 8 | Jindal Urban Waste Management (Ahmedabad) Limited | Fellow Step Down Subsidiary |
| 9 | Jindal Urban Waste Management (Jaipur) Limited | Fellow Step Down Subsidiary |
| 10 | Jindal Urban Waste Management (Jodhpur) Limited | Fellow Step Down Subsidiary |
| 11 | Tehkhand Waste to Electricity Project Limited | Fellow Step Down Subsidiary |

**(iii) Entities falling under same promoter group.**

| S.No. | Name of the entity |
|---|---|
| 1 | Jindal Saw Limited |
| 2 | JITF Commodity Tradex Limited |
| 3 | Jindal ITF Limited |
| 4 | JSW Steel Ltd. |
| 5 | JSPL - Mozambique Minerals Lda |
| 6 | Jindal Stainless (Hisar) Ltd. |
| 7 | Jindal Stainless Ltd. |
| 8 | Jindal Steel & Power Limited |
| 9 | JSW Holding Limited |
| 10 | Siddeshwari Tradex Pvt Limited |
| 11 | JITF Shipyards Limited |

**(iv) Joint ventures/ associates**

| S.No. | Name of the entity | Relationship |
|---|---|---|
| 1 | JWIL-SSIL (JV) | Joint Venture of Fellow Subsidiary |
| 2 | SMC-JWIL(JV) | Joint Venture of Fellow Subsidiary |
| 3 | JWIL-Ranhill (JV) | Joint Venture of Fellow Subsidiary |
| 4 | TAPI-JWIL (JV) | Joint Venture of Fellow Subsidiary |
| 5 | MEIL JWIL (JV) | Joint Venture of Fellow Subsidiary |
| 6 | JWIL SPML (JV) | Joint Venture of Fellow Subsidiary |
| 7 | OMIL-JWIL-VKMCPL(JV) | Joint Venture of Fellow Subsidiary |
| 8 | KNK-JWIL(JV) | Joint Venture of Fellow Subsidiary |
| 9 | SPML - JWIL (JV) | Joint Venture of Fellow Subsidiary |

**Trust under control**

| S. No. | Name of the Entity | Relationship |
|---|---|---|
| 1 | Jindal Rail Infrastructure Limited Employees Group Gratuity Scheme | Post employement benefit plan |

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# Jindal Rail Infrastructure Limited
# Significant Accounting Policies and Notes to Financial Statements
# Note-31

**Related Party Transactions** (₹ lakhs)

| Description | Parent / Holding /Fellow Holding Companies | | Subsidiary / Fellow Subsidiary Companies | | KMP, Relatives of KMP and Entities falling under same promoter group | |
|---|---|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| **Loan taken during the year** | | | | | | |
| JITF Urban Infrastructure Limited | - | - | 200.00 | 315.00 | - | - |
| Timarpur Okhla Waste Management Company Limited | - | - | - | - | - | - |
| JITF Commodity Tradex Limited | - | - | - | - | 12,915.00 | 5,000.00 |
| Jindal ITF Limited | - | - | - | - | | 80.00 |
| JITF Urban Infrastructure Services Limited | 150.00 | 1,360.00 | - | - | - | - |
| **Loan repaid during the year** | | | | | | |
| JITF Urban Infrastructure Limited | - | - | 6,113.36 | 5,860.00 | - | - |
| Timarpur Okhla Waste Management Company Limited | - | - | | 3.01 | - | - |
| JITF Commodity Tradex Limited | | | | - | 4,785.00 | |
| Jindal ITF Limited | - | - | | - | 823.07 | 80.00 |
| JITF Urban Infrastructure Services Limited | 1,935.00 | 410.00 | - | - | - | - |
| **Advance received during the year** | | | | | | |
| Jindal Urban Waste Management (Guntur) Limited | - | - | - | - | - | - |
| Jindal Steel & Power Limited- Angul | | | | | 1,486.41 | |
| JSW Steel Ltd. | - | - | - | - | 184.70 | 84.00 |
| JSPL - Mozambique Minerals Lda | - | - | - | - | | 150.45 |
| Jindal Saw Limited | - | - | - | - | - | - |
| **Advance return/paid during the year** | | | | | | |
| JSW Steel Ltd. | - | - | - | - | 184.70 | 629.68 |
| Jindal Steel & Power Limited- Angul | | | | | - | |
| Jindal Urban Waste Management (Guntur) Limited | - | - | - | - | - | - |
| **Expenses incurred by others and reimbursed** | | | | | | |
| JWIL Infra Limited | - | - | - | - | - | - |
| JITF Infralogistics Limited | - | 0.90 | - | - | - | - |
| Jindal Urban Waste Management (Visakhapatnam) Limited | 4.14 | - | - | - | - | - |
| Jindal Urban Waste Management (Guntur) Limited | 4.79 | - | - | - | - | - |
| Timarpur-Okhla Waste Management Company Limited | - | - | - | - | - | - |
| JITF Urban Infrastructure Limited | - | - | 261.05 | 21.50 | - | - |
| JITF Commodity Tradex Limited | 14.75 | - | - | - | | 14.75 |
| JITF Urban Infrastructure Services Limited | | 0.02 | - | - | | - |
| Jindal Saw Limited | - | - | - | - | 3.65 | 3.70 |
| **Purchase of Goods/ Services** | | | | | | |
| Jindal Stainless (Hisar) Ltd. | - | - | - | - | 175.12 | 76.95 |
| Jindal Stainless Ltd. | - | - | - | - | 292.80 | 1,079.36 |
| JSW Steel Ltd. | - | - | - | - | 5,495.70 | - |
| JITF Infralogistics Limited | 98.79 | 96.74 | - | - | - | - |
| **Sale of Goods/ Services** | | | | | | |
| Jindal Steel & Power Limited | - | - | - | - | 531.33 | 1,888.39 |
| Jindal Stainless Ltd.(Hisar) | | | | | 23.33 | - |
| JSW Steel Ltd. | - | - | - | - | 208.32 | 333.70 |
| JSPL - Mozambique Minerals Lda | - | - | - | - | 279.89 | 1,143.15 |
| JWIL Infra Limited | - | - | 2.55 | 4.08 | - | - |
| **Purchase of Raw Material/ consumables/Services** | | | | | | |
| JWIL Infra Limited | - | - | | 3.78 | - | - |
| Ms. Shreya Agarwal | - | - | - | - | 4.48 | 4.48 |
| Ms. Vineeta Agarwal | - | - | - | - | 4.48 | 4.48 |
| Ms. Sasmita Biswal | - | - | - | - | 4.92 | 4.92 |
| **Interest Expenses** | | | | | | |
| Unwinding Charges on 0% OFCD | | | | | | |
| JITF Urban Infrastructure Services Limited | 1,046.07 | 939.47 | - | - | - | - |
| **Interest Expenses** | | | | | | |
| JITF Commodity Tradex Limited | - | - | - | - | 1,243.07 | 68.41 |
| Jindal ITF Limited | | - | | - | 63.42 | 84.27 |
| JITF Urban Infrastructure Limited | - | - | 261.05 | 1,237.06 | | - |
| Timarpur Okhla Waste Management Company Limited | - | - | - | - | - | - |
| JITF Urban Infrastructure Services Limited | 84.38 | 117.07 | - | - | - | - |

Note: Above Figures are Inclusive of GST wherever applicable

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# Jindal Rail Infrastructure Limited
# Significant Accounting Policies and Notes to Financial Statements
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(₹ lakhs)

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Sitting Fees Paid to Directors | | |
| Sitting Fees | 0.60 | 0.60 |

**Related Party Balances** (₹ lakhs)

| Description | Parent / Holding /Fellow Holding Companies | | Subsidiary / Fellow Subsidiary Companies | | KMP, Relatives of KMP and Entities falling under same promoter group | |
|---|---|---|---|---|---|---|
| | As at 31st March 2022 | As at 31st March 2021 | As at 31st March 2022 | As at 31st March 2021 | As at 31st March 2022 | As at 31st March 2021 |
| **Share Capital including share premium** | | | | | | |
| JITF Urban Infrastructure Services Limited | 9,168.35 | 9,168.35 | - | - | - | - |
| **Loan Amount Payable** | | | | | | |
| Jindal ITF Limited | - | - | - | - | - | 823.07 |
| JITF Urban Infrastructure Services Limited | - | 1,785.00 | - | - | - | - |
| JITF Urban Infrastructure Limited | - | - | - | 5,913.36 | - | - |
| Timarpur Okhla Waste Management Company Limited | - | - | - | - | - | - |
| JITF Commodity Tradex Limited | - | - | - | - | 14,883.59 | 5,514.25 |
| **0% Optionally Fully Convertible Debentures** | | | | | | |
| JITF Urban Infrastructure Services Limited | | | | | | |
| Equity Component 0% OFCD | | 12,886.70 | - | - | - | - |
| Debt Component 0% OFCD | | 6,676.24 | | | | |
| 0% CCD | 19,562.94 | | - | - | - | - |
| **Receivables** | | | | | | |
| Jindal Steel & Power Limited | - | - | - | - | 410.46 | - |
| JSPL - Mozambique Minerals Lda | - | - | - | - | - | 1,231.42 |
| JSW Steel Limited | - | - | - | - | 42.00 | 170.98 |
| JWIL Infra Limited | - | - | - | - | - | - |
| **Payables** | | | | | | |
| Ms. Shreya Agarwal | - | - | - | - | - | - |
| Ms. Vineeta Agarwal | - | - | - | - | 0.74 | 0.74 |
| Ms. Sasmita Biswal | - | - | - | - | 0.41 | 0.41 |
| JITF Urban Infrastructure Services Limited (Provision for unwinding charges on fair valuation of 0% OFCD ) | - | 2,543.04 | - | - | - | - |
| **Amount Payable** | | | | | | |
| Jindal Saw Limited | - | - | - | - | 0.31 | 3.21 |
| Jindal Stainless Limited | - | - | - | - | - | 402.58 |
| Jindal Stainless (Hisar) Ltd. | - | - | - | - | - | 70.51 |
| JITF Urban Infrastructure Services Limited | - | - | - | - | - | - |
| JSW Steel Limited | | | | | 72.58 | |
| JITF Infralogistics Limited | 8.74 | 7.25 | - | - | - | - |
| **Advance to vendor** | | | | | | |
| **Jindal Stainless (Hisar) Ltd.** | | | | | 0.14 | |
| JSW Steel Limited | - | - | - | - | | 629.68 |
| **Advances from customer** | | | | | | |
| JSW Steel Limited | - | - | - | - | - | 33.60 |
| Jindal Steel & Power Limited | - | - | - | - | 1,664.99 | 811.08 |

Note - Above figures are inclusive of GST (Whereever applicable)

## Remuneration to Key Managerial Personnel (KMP)

(₹ lakhs)

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| Short-Term employee benefits * | 175.34 | 159.61 |
| - Defined contribution plan $ | 8.35 | 8.35 |
| - Defined benefit plan # | 4.15 | 17.60 |
| **Total** | **187.83** | **185.56** |

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# Jindal Rail Infrastructure Limited
# Significant Accounting Policies and Notes to Financial Statements
# Note-31

(₹ lakhs)

| Name | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|
| Mr. Arun Kumar Khosla | 103.67 | 116.95 |
| Mr. Pawan Kumar Agrawal | 54.53 | 42.45 |
| Mr. Ajaya Kumar Biswal | 17.42 | 16.10 |
| Mr. Pankaj Agarwal | 12.21 | 10.06 |
| **Total** | **187.83** | **185.56** |

* Including ex-gratia, sitting fee, commission and value of perquisites where value cannot determined, the valuation as per income tax being considered.
$ Including PF, leave encashment paid and any other benefit.
# The liability for gratuity and leave encashment are provided on actuarial basis for the Company as a whole. Accordingly amounts accrued pertaining to key managerial personnel are not included above.

(₹ lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 months - 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | Total |
| **Trade Receivable** | | | | | | | |
| **As at March 31,2022** | | | | | | | |
| (i) Undisputed Trade receivable- considered good | 2,495.14 | 71.83 | 4.91 | 4.28 | - | | 2,576.16 |
| (ii) Undisputed Trade receivable-which have significant increase in credit risk | - | - | - | - | - | | - |
| (iii) Undisputed Trade receivable-Credit impaired | | | | | | | |
| (iv) Disputed Trade receivable considered good | | | | | | | |
| (iv) Disputed Trade receivable-which have significant increase in credit risk | | | | | | | |
| (vi) Disputed Trade receivable-Credit impaired | | | | | | | |
| **Total** | **2,495.14** | **71.83** | **4.91** | **4.28** | **-** | **-** | **2,576.16** |
| **As at March 31,2021** | | | | | | | |
| (i) Undisputed Trade receivable considered good | 1,328.87 | 535.90 | - | 716.38 | - | - | 2,581.14 |
| (ii) Undisputed Trade receivable-which have significant increase in credit risk | - | - | - | - | - | | - |
| (iii) Undisputed Trade receivable-Credit impaired | | | | | | | |
| (iv) Disputed Trade receivable considered good | | | | | | | |
| (iv) Disputed Trade receivable-which have significant increase in credit risk | - | - | - | - | - | | - |
| (vi) Disputed Trade receivable-Credit impaired | | | | | | | |
| **Total** | **1,328.87** | **535.90** | **-** | **716.38** | **-** | **-** | **2,581.14** |

**14. Micro, Small and Medium Enterprises (MSME) -**

Based on the intimation received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the required disclosure is given below * :

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**Note-31**

(₹ lakhs)

| Sr. No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| 1 | Principal amount due outstanding | 247.88 | 150.84 |
| 2 | Interest due on (1) above and unpaid | - | - |
| 3 | Interest paid to the supplier | - | - |
| 4 | Payments made to the supplier beyond the appointed day during the year. | - | - |
| 5 | Interest due and payable for the period of delay | - | - |
| 6 | Interest accrued and remaining unpaid | - | - |
| 7 | Amount of further interest remaining due and payable in succeeding year | - | - |

* To the extent information available with the company.

Ageing of Trade Payables:

(₹ lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not Due | Less than - 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | Total |
| **Trade Payable** | | | | | | |
| **As at March 31,2022** | | | | | | |
| (i) MSME | 247.88 | - | - | - | - | 247.88 |
| (ii) Others | 498.84 | 226.75 | - | - | - | 725.59 |
| (iii) Disputed dues - MSME | | | | | | |
| (iv) Disputed dues - Others | | | | | | |
| **Total** | **746.72** | **226.75** | **-** | **-** | **-** | **973.47** |
| **As at March 31,2021** | | | | | | |
| (i) MSME | 150.84 | - | - | - | - | 150.84 |
| (ii) Others | 355.56 | 1,657.12 | - | - | - | 2,012.68 |
| (iii) Disputed dues - MSME | | | | | | |
| (iv) Disputed dues - Others | | - | - | - | - | - |
| **Total** | **506.40** | **1,657.12** | **-** | **-** | **-** | **2,163.52** |

**15. Impact of COVID-19 :**
The management has assessed the impact of COVID-19 pandemic on the economic environment in general, business and financial risks up to the date of financial statements and conclude that there is no material impact on the long-term performance of the Company.

However, the Company will continue to monitor any material changes to the future economic conditions.

**16. Earnings per share-**

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Issued equity shares** | 3,05,94,503 | 3,05,94,503 |
| **Weighted average shares outstanding - Basic and Diluted - A** | 3,05,94,503 | 3,05,94,503 |

(₹ lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Profit and loss after tax - B** | (1,919.07) | (2,793.80) |
| Basic and Diluted Earnings per share (B/A) | (6.27) | (9.13) |
| Restated Basic and Diluted Earnings per share (B/A) | (6.27) | (9.13) |

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The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

**17.** Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

**18**. Financial Statements for 31st March 2022 were approved by Board of Directors & authorize for issue on 10th May 2022.

**19. Analytical Ratios:.**

| S.No | Particulars of Ratio | Numerator | Denominator | F.Y.2021-22 | F.Y. 2020-21 | Change in % | Reason for Variance more than 25% |
|---|---|---|---|---|---|---|---|
| 1 | Current ratio | Current Assets | Current Liabilities | 1.72 | 1.98 | -13.20% | |
| 2 | Debt- Equity Ratio | Total Debt- Cash & Cash Equivalents | Shareholder's Equity | 1.06 | 2.29 | -53.57% | The rato has improved due to increase in equity |
| 3 | Debt Service Coverage ratio | EBIDTA | Debt service = Interest & Lease Payments + Principal Repayments | 0.16 | 0.06 | 174.40% | Reason for increase is due to increase in EBITDA |
| 4 | Return on Equity ratio | Net Profits after taxes – Preference Dividend | Average Shareholder's Equity | -0.10 | -0.17 | -41.31% | Reason for decrease in return is due to increase in equity |
| 5 | Inventory Turnover ratio | Cost of goods sold | Average Inventory | 2.18 | 0.87 | 150.24% | Reason for increase is due to increase in inventory period |
| 6 | Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return | Average Trade Receivable | 9.78 | 5.04 | 93.85% | Increase is due to increase in turnover and debtors |
| 7 | Trade Payable Turnover Ratio | Net credit purchases = Gross credit purchases - purchase return+service purchase | Average Trade Payables | 14.44 | 4.41 | 227.15% | Reason for increase is due to more credit period given |
| 8 | Net Capital Turnover Ratio | Net Sales | Working Capital | 3.55 | 1.25 | 183.68% | Increase is due higher order excecution and increase in production & sales |
| 9 | Net Profit ratio | Net Profit | Net sales = Total sales - sales return | -0.07 | -0.24 | -69.41% | Reason for decrease is due to higher margin causing reduction in losses |
| 10 | Return on Capital Employed | Earnings before interest and taxes | Capital Employed = Tangible Net worh+Total Debt+Deferred Tax Liability | 0.05 | 0.00 | 1203.93% | Increase in return is due to decrease in losses |
| 11 | Return on Investment | Interest (Finance Income) | Investment | 0.05 | 0.08 | -39.59% | Reason for decrease is due to lower investment |

**20. Additional Regulatory Information**

i. The company does not have any immovable property wherein reporting requirement with respect to title deed of immovable properties is applicable.

ii. The Company has not revalued its Property, Plant and Equipment as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 217 during the year 2021-22 and 2020-21.

iii. The Company has taken loan from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the Company with banks or financial institutions are in agreement with the books of accounts.

iv. The company has not granted any loan to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person. Whereas the loan is (i) repayable on demand and (ii) the loan is without specifying the terms of repayment.

v. Capital Work-in-Progress:

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# Significant Accounting Policies and Notes to Financial Statements
# Note-31

(₹ lakhs)

| Particulars | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than - 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | |
| Capital Work-in-Progress | | | | | |
| **As at March 31,2022** | | | | | |
| Projects in progress | 18.92 | - | - | - | 18.92 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **18.92** | **-** | **-** | **-** | **18.92** |
| **As at March 31,2021** | | | | | |
| Projects in progress | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** |

vi. No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

vii. Company is not declared wilful defaulter by any bank or financial institution or other lender.

viii. The company does not have transaction with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

ix. There is no charge yet to be registered with Registrar of Companies beyond the statutory period.

x. The Provisions related to number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 are not applicable on the company.

xi. There is no Scheme of Arrangements has been approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013.

xii. 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:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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 group shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

xiii. No income has been surrendered or disclosed for which transaction was not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant.

**xiv.** There is no transaction related to Crypto Currency or Virtual Currency. Hence, Not applicable.

21. Notes 1 to 20 are annexed to and form an integral part of financial statements.

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**Jindal Rail Infrastructure Limited**
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**Note-31**

As per our report of even date attached
For **P.C. Goyal & Co.**
Chartered Accountants
Firm Registration No. 002368N

**M.P. Jain**
Partner
M.No. 082407
Place : New Delhi
Dated : 10th May, 2022

P.C. GOYAL & CO.
NEW DELHI
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For and on behalf of Board of Directors of
Jindal Rail Infrastructure Limited

**Arun Kumar Khosla**
Whole Time Director
DIN - 00038033

**Kumud Nath Mishra**
Whole Time Director
DIN - 09570343

**Ajaya Kumar Biswal**
Chief Financial Officer
M No.F-13297

**Pankaj Agarwal**
Company Secretary
M No. A-26877