

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, 2020, 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 2020, 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.



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 guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal 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, 2020 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 because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020;
 - 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, 2020 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.

For P.C. Goyal & Co.

Chartered Accountants

Firm Registration No. 002368N



(M.P. Jain)

Partner

M. No. 082407

Date: 25th June 2020

Place: New Delhi

UDIN: 20082407AAAAAN3315



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, 2020)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) A major portion of the fixed assets has been physically verified by the Management in accordance with a phased programmed of verification once in two 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) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
2. As explained to us, the management during the year has physically verified inventories. In our opinion, the frequency of verification is reasonable. The discrepancies noticed during physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.
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 provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.
5. According to the information given to us, the Company has not accepted any deposits under 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. We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Company Act 2013 in respect of the company's products and are of the opinion that, prime facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate or complete.



7. (a) Undisputed statutory dues including provident fund, employee' state insurance, income tax, goods and service tax, duty of customs, 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, 2020 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 dues in respect of income-tax, goods and service tax, duty of customs, wherever applicable to the company which have not been deposited with the appropriate authorities on account of any dispute.
8. 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 dues to banks and financial institutions. The company does not have any dues to government or debenture holders.
9. The Company has not raised any money by way of initial public offer or further public offer or debt instruments. In our opinion, and according to the information and explanation given to us, the term loans have been applied for the purposes for which they were raised, other than temporary deployment pending allocation.
10. 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 has been committed on or by the Company or by its officers or employees during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
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 177 and 188 of Act, and where applicable the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private allotment of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.
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.



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16. 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, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

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



(M.P. Jain)

Partner

M. No. 082407

Date: 25th June 2020

Place: New Delhi

UDIN: 20082407AAAAAN3315



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, 2020

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, 2020 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 and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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 applicable to 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 assessed risk. 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



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, or that 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, 2020, 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: 25th June 2020

Place: New Delhi

UDIN: 20082407AAAAAN3315



JINDAL RAIL INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT MARCH 31, 2020
CIN No. U45400UP2007PLC070235

(Amount in ₹)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant and Equipment	1	2,85,34,49,213	2,87,69,06,847
	(b) Capital work-in-progress		1,19,444	2,61,58,208
	(c) Other Intangible assets	2	25,53,479	30,61,312
	(d) Financial Assets			
	(i) Investments	3	12,73,41,306	12,33,05,589
	(ii) Other Financial assets	4	14,31,97,753	10,78,25,600
	(e) Deferred tax assets (net)	5	45,75,04,847	46,93,64,926
	(f) Other non-current assets	6	14,242	68,316
(2)	Current assets			
	(a) Inventories	7	91,91,19,286	1,04,10,74,675
	(b) Financial Assets			
	(i) Trade receivables	8	19,00,58,022	47,08,97,767
	(ii) Cash and cash equivalents	9	12,67,318	1,33,31,677
	(iii) Bank balances other than (ii) above	10	3,95,22,420	5,08,33,169
	(iv) Other Financial assets	11	24,69,600	25,15,464
	(c) Current Tax Assets (Net)	12	10,13,41,454	11,22,02,353
	(d) Other current assets	13	50,61,38,499	48,30,11,927
	Total Assets		5,34,40,96,883	5,78,05,57,830
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	14	30,59,45,030	30,59,45,030
	(b) Other Equity	15	1,47,97,09,002	1,70,77,24,692
	Liabilities			
(1)	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	2,37,60,44,700	2,32,59,39,669
	(ii) Other financial liabilities	17	22,36,06,996	17,59,83,304
	(b) Provisions	18	57,67,296	46,90,589
(2)	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	30,55,48,098	30,25,47,399
	(ii) Trade payables	20		
	-Micro and Small Enterprises		3,53,81,537	10,34,65,486
	-Other than Micro and Small Enterprises		8,87,08,254	24,17,02,286
	(iii) Other financial liabilities	21	31,84,80,758	26,06,74,601
	(b) Other current liabilities	22	20,21,52,580	35,00,73,148
	(c) Provisions	23	27,52,632	18,11,626
	Total Equity and Liabilities		5,34,40,96,883	5,78,05,57,830

Significant accounting policies and notes to the financial statements

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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: 25th June 2020



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

Arun Kumar Khosla

Whole Time Director

DIN - 00038033

Ajaya Kumar Biswal

Chief Financial Officer

Rajeev Goyal

Director

DIN - 07003755

Pankaj Agarwal

Company Secretary

M No. A-26877

JINDAL RAIL INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

			(Amount in ₹)
Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I Gross Revenue From Operations	24	2,13,97,66,915	2,74,15,92,926
II Other Income	25	1,03,56,886	96,11,796
III Total Income (I+II)		2,15,01,23,801	2,75,12,04,722
IV EXPENSES			
Cost of materials consumed	26	1,45,71,84,125	2,01,20,55,281
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	27	3,22,85,514	(18,40,98,831)
Employee benefit expenses	28	9,70,40,371	8,36,10,117
Finance costs	29	40,55,84,254	37,11,03,097
Depreciation and amortisation expense	30	7,15,46,582	6,90,37,322
Other expenses	31	30,68,66,785	48,62,28,502
Total expenses (IV)		2,37,05,07,631	2,83,79,35,488
V Profit/(loss) before exceptional items and tax (III- IV)		(22,03,83,830)	(8,67,30,766)
VI Exceptional Items		-	-
VII Profit/(loss) before tax (V-VI)		(22,03,83,830)	(8,67,30,766)
VIII Tax expense:			
Deferred tax		1,07,95,921	(73,15,252)
IX Profit/(loss) for the year (VII-VIII)		(23,11,79,751)	(7,94,15,514)
X Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(a) Re-measurement gains/(losses) on defined benefit plans		1,92,502	(48,967)
Income tax effect on above		(48,449)	13,623
(b) Equity Instruments through Other Comprehensive Income (Gain/(loss) on Fair valuation of Long Term Investment)		40,35,717	1,73,02,946
Income tax effect on above		(10,15,709)	(48,13,680)
Total Other Comprehensive Income		31,64,061	1,24,53,922
XI Total Comprehensive Income for the year (IX+X)		(22,80,15,690)	(6,69,61,592)
XII Earning per equity share of Face value of ₹ 10/-			
(1) Basic		(7.56)	(2.60)
(2) Diluted		(7.56)	(2.60)
Significant accounting policies and notes to the financial statements	32		

In terms of our report of even date annexed hereto

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

[Signature]

M.P. JAIN
Partner
M.No.082407
Place: New Delhi
Dated: 25th June 2020



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

[Signature]

Arun Kumar Khosla
Whole Time Director
DIN - 00038033

[Signature]

Rajeev Goyal
Director
DIN - 07003755

[Signature]
Ajaya Kumar Biswal
Chief Financial Officer

[Signature]

Pankaj Agarwal
Company Secretary
M No. A-26877

JINDAL RAIL INFRASTRUCTURE LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED March 31, 2020

(Amount in ₹)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A.	CASH FLOWS FROM OPERATING ACTIVITIES:		
	Profit/(Loss) before tax	(22,03,83,830)	(8,67,30,766)
	Adjustment for:		
	Depreciation	7,15,46,582	6,90,37,322
	Interest expense	32,12,10,562	29,53,27,333
	Interest income	(1,03,56,886)	(1,12,31,940)
	Working Capital Adjustment :		
	(Increase)/Decrease in Trade Receivable	28,08,39,745	(32,91,23,830)
	(Increase)/Decrease in Loan and Advances	3,73,09,366	(33,48,08,007)
	(Increase)/Decrease in Inventories	12,19,55,389	(45,30,36,921)
	Increase/(Decrease) in Trade and other Payables	(33,37,94,524)	52,15,81,629
	Cash Generated From Operations Before Exceptional Items	26,83,26,404	(32,89,85,180)
	Tax Paid	1,08,60,899	(3,53,89,351)
	Net cash Inflow/(Outflow) from operating activities	27,91,87,303	(36,43,74,531)
B.	CASH FLOWS FROM INVESTING ACTIVITIES:		
	Interest received	1,04,02,750	1,13,79,422
	Purchase of property, plant & equipment	(7,36,05,637)	(5,95,31,527)
	Net cash Inflow/(Outflow) from investing activities	(6,32,02,887)	(4,81,52,105)
C.	CASH FLOWS FROM FINANCING ACTIVITIES:		
	Proceeds from long term borrowings	9,14,17,531	66,14,99,345
	Proceeds from short term borrowings	30,00,699	4,20,63,305
	Interest paid	(32,24,67,005)	(29,53,27,333)
	Net cash Inflow/(Outflow) from financing activities	(22,80,48,775)	40,82,35,317
	Net increase in cash and cash equivalents	(1,20,64,359)	(42,91,319)
	Cash and cash equivalents (opening balance)	1,33,31,677	1,76,22,996
	Cash and cash equivalents (closing balance)	12,67,318	1,33,31,677
		(1,20,64,359)	(42,91,319)

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

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

M.P.JAIN
Partner
M.No.082407
Place: New Delhi
Dated: 25th June 2020



Arun Kumar Khosla
Whole Time Director
DIN - 00038033

Ajaya Kumar Biswal
Chief Financial Officer

Rajeev Goyal
Director
DIN - 07003755

Pankaj Agarwal
Company Secretary
M No. A-26877

JINDAL RAIL INFRASTRUCTURE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

A. Equity Share Capital

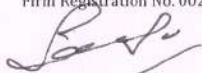
(Amount in ₹)				
Balance as at 1st April, 2018	Changes in equity share capital during the year 2018-19	Balance as at 31st March, 2019	Changes in equity share capital during the year 2019-20	Balance as at 31st Mar, 2020
30,59,45,030	-	30,59,45,030	-	30,59,45,030

B. Other Equity

	Equity component of compound financial instruments*	Reserves and Surplus		Items of Other Comprehensive Income		Total
		Securities Premium	Retained Earnings	Items that will not be reclassified to Profit & Loss		
				(i) Remeasurement of Defined Benefit Plans	(ii) Equity Instruments through Other Comprehensive Income	
Balance as at April 1, 2018	1,28,86,70,114	61,08,90,060	(12,95,52,542)	(1,37,896)	48,16,548	1,77,46,86,284
Loss for the year 2018-19	-	-	(7,94,15,514)	-	-	(7,94,15,514)
Other Comprehensive Income for the year 2018-19	-	-	-	(35,344)	1,24,89,266	1,24,53,922
Balance as at March 31, 2019	1,28,86,70,114	61,08,90,060	(20,89,68,056)	(1,73,240)	1,73,05,814	1,70,77,24,692
Loss for the year 2019-20	-	-	(23,11,79,751)	-	-	(23,11,79,751)
Other Comprehensive Income for the year 2019-20	-	-	-	1,44,053	30,20,008	31,64,061
Balance as at March 31, 2020	1,28,86,70,114	61,08,90,060	(44,01,47,807)	(29,187)	2,03,25,822	1,47,97,09,002

* 19562941 0% Optionally Fully Convertible Debentures have been issued on 31st March 2018 for ₹ 1,95,62,94,100/- (face value ₹ 100 each) for 10 years with a lock in period of 2 years and an option to convert in 10 shares of ₹ 10 each not later than 9 years.


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


M.P. JAIN
Partner
M.No.082407
Place: New Delhi
Dated: 25th June 2020

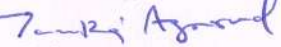


For and on behalf of the Board of Directors of
Jindal Rail Infrastructure Limited


Arun Kumar Khosla
Whole Time Director
DIN - 00038033


Ajaya Kumar Biswal
Chief Financial Officer


Rajeev Goyal
Director
DIN - 07003755


Pankaj Agarwal
Company Secretary
M No. A-26877

JINDAL RAIL INFRASTRUCTURE LIMITED
Notes forming part of Balance sheet

Note-1 PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Temporary Structure	Buildings	Plant and Equipments	Furniture and Fixture	Office Equipment	Vehicles	Electricals Equipments	Computers	Total
Gross Block										
As at April 1, 2018	1,31,98,61,714	1,05,800	63,64,15,557	1,10,60,50,596	30,85,529	34,65,863	84,12,499	12,55,44,617	22,76,071	3,20,52,18,246
Additions	-	2,41,000	1,97,88,559	3,85,13,661	5,73,293	3,43,819	-	33,25,444	12,30,882	6,40,15,857
Disposal/Adjustments	-	-	-	70,272	12,936	51,854	-1,47,059	22,796	-	9,999
As at March 31, 2019	1,31,98,61,714	3,46,800	65,62,04,116	1,14,44,93,985	36,45,885	37,58,628	85,59,558	12,88,47,265	35,06,153	3,26,92,24,104
Additions	-	-	2,72,98,286	1,78,65,012	5,074	8,65,545	7,51,000	2,90,010	3,69,257	4,74,44,184
Disposal/Adjustments	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	1,31,98,61,714	3,46,800	68,35,02,402	1,16,23,58,997	36,50,959	46,24,173	93,10,558	12,91,37,275	38,75,410	3,31,66,68,288
Accumulated Depreciation										
As at April 1, 2018	-	63,335	6,11,33,261	21,72,70,686	24,93,364	22,28,351	31,99,338	3,61,53,942	12,63,148	32,38,05,425
Charge for the year	-	59,012	1,26,99,434	4,45,08,170	2,05,640	4,06,231	9,54,559	91,22,376	5,56,411	6,85,11,832
Disposal/Adjustments	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	1,22,347	7,38,32,695	26,17,78,856	26,99,004	26,34,582	41,53,897	4,52,76,318	18,19,559	39,23,17,257
Charge for the year	-	79,910	1,34,16,557	4,57,06,441	2,61,363	3,62,511	10,25,904	92,79,219	7,69,914	7,09,01,818
Disposal/Adjustments	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	2,02,257	8,72,49,252	30,74,85,297	29,60,367	29,97,093	51,79,801	5,45,55,537	25,89,473	46,32,19,075
Net Carrying Amount										
As at March 31, 2019	1,31,98,61,714	2,24,453	58,23,71,421	88,27,15,129	9,46,881	11,24,046	44,05,661	8,35,70,947	16,86,594	2,87,69,06,847
As at March 31, 2020	1,31,98,61,714	1,44,543	59,62,53,150	85,48,73,700	6,90,592	16,27,080	41,30,757	7,45,81,738	12,85,937	2,85,34,49,213



JINDAL RAIL INFRASTRUCTURE LIMITED
Notes forming part of Balance sheet

Note-2 INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Software	Total
Gross Block		
As at April 1,2018	50,28,249	50,28,249
Additions	18,31,937	18,31,937
As at March 31, 2019	68,60,186	68,60,186
Additions	1,36,931	1,36,931
As at March 31, 2020	69,97,117	69,97,117
Accumulated Depreciation		
As at April 1,2018	32,73,384	32,73,384
Charge for the year	5,25,490	5,25,490
As at March 31, 2019	37,98,874	37,98,874
Charge for the year	6,44,764	6,44,764
As at March 31, 2020	44,43,638	44,43,638
Net Carrying Amount		
As at March 31, 2019	30,61,312	30,61,312
As at March 31, 2020	25,53,479	25,53,479



JINDAL RAIL INFRASTRUCTURE LIMITED
Notes forming part of Balance sheet

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
3 Non-Current Investments		
Equity Shares Fully Paid Up - Unquoted		
Designated at Fair Value through Other Comprehensive income		
Bharuch Dahej Railway Company Limited	12,73,41,306	12,33,05,589
1,00,00,000 (Previous Year 1,00,00,000) Equity Shares of ₹10/- each		
Total Non Current Investments	12,73,41,306	12,33,05,589
4 Other non-current financial assets		
- Security Deposits		
Unsecured, Considered good	3,94,05,601	11,33,170
Fixed Deposits with bank with remaining maturity more than 12 months	10,37,92,152	10,66,92,430
Total Other non-current financial assets	14,31,97,753	10,78,25,600
5 Deferred Tax Assets		
(A) Deferred Tax Liability		
Difference between book and tax base related to Fixed assets	20,77,31,332	22,21,23,078
(B) Deferred Tax Assets		
Carried forward losses/allowances	66,22,78,489	68,87,84,110
Disallowance under Income Tax Act, 1961	29,57,690	27,03,894
Total Deferred Tax assets	66,52,36,179	69,14,88,004
Net Deferred Tax Asset (B-A)	45,75,04,847	46,93,64,926
6 Other non-current assets		
Pepaid Finance Charges	14,242	68,316
Total Other non-Current Assets	14,242	68,316
7 Inventories		
Raw Materials	28,99,39,601	36,45,73,809
Work-in-progress	52,18,69,794	58,54,49,426
Finished Goods	6,68,85,324	3,55,91,206
Store and Spares	4,01,84,567	5,45,69,234
Scrap	2,40,000	8,91,000
Total Inventories	91,91,19,286	1,04,10,74,675
8 Trade receivables		
Trade Receivables considered good - Unsecured	19,00,58,022	47,08,97,767
Total Trade Receivables	19,00,58,022	47,08,97,767
9 Cash and Cash Equivalents		
Balances with Banks		
On current accounts	6,89,119	1,29,60,784
Cash on hand	5,78,199	3,70,893
Total Cash and Cash Equivalents	12,67,318	1,33,31,677



JINDAL RAIL INFRASTRUCTURE LIMITED
Notes forming part of Balance sheet

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
10 Other Bank Balances		
Fixed Deposits with remaining maturity of less than 12 months and other than considered in cash and cash equivalents *	3,95,22,420	5,08,33,169
Total Other Bank Balances	3,95,22,420	5,08,33,169
<i>*Pledged with bank as margin against bank gurantees</i>		
11 Other Current Financial Assets		
Interest accrued on Fixed Deposit	-	45,864
Insurance Claim receivable	24,69,600	24,69,600
Total Other Current Financial assets	24,69,600	25,15,464
12 Current Tax Assets (Net)		
Advance Taxation(net)	10,13,41,454	11,22,02,353
Total Current Tax Assets (Net)	10,13,41,454	11,22,02,353
13 Other current assets		
Unsecured, Considered good		
Advance to vendor	7,88,39,469	4,69,97,644
Advance to Employees	7,50,849	2,53,604
Other Receivables	42,65,48,181	43,57,60,679
Total Other current assets	50,61,38,499	48,30,11,927
14 Share Capital		
(a) Authorised Share Capital		
3,16,00,000 Equity Shares of ₹10/- each	31,60,00,000	31,60,00,000
(b) Issued, Subscribed and Paid Up Capital		
3,05,94,503 Equity Shares of ₹ 10/- each fully paid up	30,59,45,030	30,59,45,030
(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	3,05,94,503	3,05,94,503
Shares outstanding at the end of the year	3,05,94,503	3,05,94,503

(d) **Shares In The Company Held by each Shareholder Holding More Than 5% Shares Are As Under:**

Name of the Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
JITF Urban Infrastructure Services Ltd.*	3,05,94,503	100%	3,05,94,503	100%

* Including 700 Shares (Previous year 700 shares) held by Person/companies as nominee of JITF Urban Infrastructure Services Ltd.

(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.



JINDAL RAIL INFRASTRUCTURE LIMITED
Notes forming part of Balance sheet

Note No-15

	Equity component of compound financial instruments*	Reserves and Surplus		Items of Other Comprehensive Income		Total
		Securities Premium	Retained Earnings	Items that will not be reclassified to Profit & Loss		
				(i) Remeasurement of Defined Benefit Plans	(ii) Equity Instruments through Other Comprehensive Income	
Balance as at April 1, 2018	1,28,86,70,114	61,08,90,060	(12,95,52,542)	(1,37,896)	48,16,548	1,77,46,86,284
Loss for the year 2018-19	-	-	(7,94,15,514)	-	-	(7,94,15,514)
Other Comprehensive Income for the year 2018-19	-	-	-	(35,344)	1,24,89,266	1,24,53,922
Balance as at March 31, 2019	1,28,86,70,114	61,08,90,060	(20,89,68,056)	(1,73,240)	1,73,05,814	1,70,77,24,692
Loss for the year 2019-20	-	-	(23,11,79,751)	-	-	(23,11,79,751)
Other Comprehensive Income for the year 2019-20	-	-	-	1,44,053	30,20,008	31,64,061
Balance as at March 31, 2020	1,28,86,70,114	61,08,90,060	(44,01,47,807)	(29,187)	2,03,25,822	1,47,97,09,002

Nature and Purpose of Reserves

(a) Security premium account 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.

(b) Retained Earnings represent the undistributed profits of the Company.



JINDAL RAIL INFRASTRUCTURE LIMITED
Notes forming part of Balance sheet

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
16 Non -Current Borrowings		
Secured		
Rupee Term Loan		
From IFCI Limited*	48,52,50,484	73,73,33,130
Unsecured considered good**		
JITF Urban Infrastructure Services Limited	7,18,52,301	81,35,43,769
Jindal ITF Limited	7,45,11,693	6,76,61,014
JITF Commodity Tradex Limited	4,50,96,862	3,97,77,770
JITF Urban Infrastructure Limited	1,03,14,08,458	-
Timarpur Okhla Waste Management Company Limited	3,00,916	-
Debt Component of 0% Optionally Fully Convertible Debentures #	66,76,23,986	66,76,23,986
Total Non-Current Borrowings	2,37,60,44,700	2,32,59,39,669
<p>*Term loan from IFCI Limited consist of :</p> <p>(i) ₹ 33,55,00,000 (rate of interest 12.50% p.a.) including ₹ 19,80,00,000 shown in current maturity (previous year ₹ 48,95,00,000, including ₹ 15,40,00,000 shown in current maturity) is secured by way of equitable mortgage on all movable and immovable fixed assets both, present and future including Land and Plant and Machinery. The loan also secured by pari-passu charge on inventory, book debts, receivables and all escrow accounts of the borrower, and corporate guarantee of Jindal Saw Limited and JITF Urban Infrastructure services Limited. The loan is repayable in quarterly instalments in two years with annual payments of ₹ 19,80,00,000 and ₹ 13,75,00,000 in financial year 2020-21 and 2021-22; and</p> <p>(ii) ₹ 40,85,00,000 (rate of interest 12.50% p.a.) including ₹ 5,91,25,000 shown in current maturity (previous year ₹ 47,03,12,500, including ₹ 6,18,12,500 shown in current maturity) is secured by way of equitable mortgage on all movable and immovable fixed assets both, present and future including Land and Plant and Machinery. The loan is also secured by pari-passu charge on inventory, book debts, receivables & all escrow accounts of the borrower, pledge of 51% shares of the Borrower and corporate guarantee of JITF Urban Infrastructure services Limited and Personal Guarantee of Mr. Indresh Batra and Ms. Sminu Jindal. The loan is repayable in quarterly instalments in six years with annual payments of ₹ 5,91,25,000 in 2020-21, ₹ 8,60,00,000 in 2021-22 and 2022-23 each, ₹ 7,65,93,750 in 2023-24, ₹ 6,71,87,500 in 2024-25 and ₹ 3,35,93,750 in 2025-26. Loan is net of amortisation cost</p> <p># 19562941 0% Optionally Fully Convertible Debentures (OFCD) of ₹ 100 each have been issued on 31st March 2018 for ₹ 195.63 crores for 10 years with a lock in period of 2 years and an option to convert in 10 shares of ₹ 10 each not later than 9 years. There is no default in repayment of principal and interest thereon.</p> <p>**Loan is repayable on or before respective maturity dates and carries interest ranging from 11.95% p.a. to 12.45% p.a.</p>		
17 Other Financial Liabilities (non Current)		
Provision for unwinding charges on fair valuation of 0% OFCD	16,03,56,996	7,59,83,304
Others payable	6,32,50,000	10,00,00,000
Total Other Financial Liabilities	22,36,06,996	17,59,83,304
18 Provision		
For Employee Benefits		
Gratuity	-	44,326
Leave Encashment	57,67,296	46,46,263
Total Non-Current Provisions	57,67,296	46,90,589
19 Current Borrowing		
Secured -		
Working Capital Facility from Bank *	28,88,11,461	30,25,47,399
Bill Discounted by Bank	1,67,36,637	-
Total Current Borrowings	30,55,48,098	30,25,47,399

*Current borrowings 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, lying at its works, godowns, elsewhere as acceptable to bank including stock in transit, cash and credit balances in their loan/other accounts and all present and future book debts / receivables as also clean or documentary bills, domestic or export, whether accepted or otherwise and the cheques/ drafts / instruments etc. drawn in its favour.

The rate of interest is ranging from 12.90% p.a. to 14.30% p.a.



JINDAL RAIL INFRASTRUCTURE LIMITED
Notes forming part of Balance sheet

Particulars	(Amount in ₹)	
	As at March 31, 2020	As at March 31, 2019
20 Trade Payable		
Micro and Small Enterprises	3,53,81,537	10,34,65,486
Others Trade payables	8,87,08,254	24,17,02,286
Total Trade Payables	12,40,89,791	34,51,67,772
21 Other Financial Liabilities		
Current maturities of Long term debt	25,71,25,000	21,58,12,500
Interest Accrued but not due	43,31,506	55,87,949
Capital Creditors	-	91,25,020
Payable to Related Parties	3,98,96,476	10,79,398
Other outstanding financial liabilities	69,45,781	1,88,45,004
Due to Employees	1,01,81,995	1,02,24,730
Total Other Financial Liabilities	31,84,80,758	26,06,74,601
22 Other Current Liabilities		
Advance from Customers	6,22,824	6,02,404
Mobilisation Advance from Customers	18,61,63,097	34,52,49,512
Statutory Dues	1,53,66,659	42,21,232
Total Other Current Liabilities	20,21,52,580	35,00,73,148
23 Provisions		
For Employee Benefits		
Leave Encashment	27,52,632	18,11,626
Total Current Provisions	27,52,632	18,11,626



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

(Amount in ₹)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
24 Revenue from Operations		
Domestic Sales		
Sale of Products-Railway wagons and Parts	2,13,97,66,915	2,74,15,92,926
Total Revenue from Operations	2,13,97,66,915	2,74,15,92,926
25 Other Income		
Interest on Fixed Deposit	97,67,765	1,03,32,100
Miscellaneous Income	5,89,121	8,99,840
Net Gain/(Loss) from fair valuation of Derivative	-	(16,20,144)
Total Other Income	1,03,56,886	96,11,796
26 Cost of Materials Consumed		
Raw Materials consumed	1,45,71,84,125	2,01,20,55,281
Total Raw Materials Consumed	1,45,71,84,125	2,01,20,55,281
27 Changes in inventories of finished goods, work in process and Stock-in-trade		
Opening Stock		
Work-in-progress	58,54,49,426	43,69,41,801
Finished Goods	3,55,91,206	-
Total Opening Stock	62,10,40,632	43,69,41,801
Closing Stock		
Work-in-progress	52,18,69,794	58,54,49,426
Finished Goods	6,68,85,324	3,55,91,206
Total Closing Stock	58,87,55,118	62,10,40,632
Net (Increase)/Decrease in Stock	3,22,85,514	(18,40,98,831)
Total (Increase)/Decrease in Stock	3,22,85,514	(18,40,98,831)
28 Employee Benefits Expense		
Salary and wages	8,59,40,585	7,49,02,209
Contribution to Provident and other Funds	50,09,452	38,33,568
Workmen and staff Welfare	60,90,334	48,74,340
Total Employee Benefits Expense	9,70,40,371	8,36,10,117



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

Particulars	(Amount in ₹)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
29 Finance Costs		
Interest on Term Loan	10,84,28,513	13,17,74,836
Interest on Bank Borrowings	5,57,59,331	6,08,16,599
Interest on Inter Corporate Loan	12,80,32,028	6,62,61,947
Bank and Finance Charges	2,89,90,690	3,64,73,951
Unwinding Charges on fair valuation of 0% OFCD	8,43,73,692	7,57,75,764
Total Finance Costs	40,55,84,254	37,11,03,097
30 Depreciation and Amortisation Expense		
Depreciation	7,09,01,818	6,85,11,832
Amortisation	6,44,764	5,25,490
Total Depreciation and amortisation expense	7,15,46,582	6,90,37,322
31 Other Expenses		
Store and Spares Consumed	3,29,64,770	3,48,62,967
Power and Fuel	1,84,62,432	1,70,60,274
Job Work Charges	8,23,84,081	7,13,09,771
Repairs to Plant and Machinery	2,64,81,090	3,37,64,635
Repairs to Buildings	31,43,316	34,10,474
RDSO Expenses	1,81,09,380	21,56,11,164
Other Manufacturing Expenses	2,86,45,723	2,65,42,774
Travelling and Conveyance	96,21,702	88,80,648
Insurance	30,93,309	36,72,439
Auditor Remuneration		
-As Audit Fees	24,000	24,000
-As Tax Audit Fees	12,000	12,000
Cost Audit remuneration	50,000	50,000
Legal and Professional	29,31,362	86,06,474
Shared Service Cost	92,78,446	57,20,891
Communication costs	10,23,138	8,83,639
Rates and Taxes	16,72,696	40,58,067
Rent	5,33,000	6,03,500
Repair and Maintenance - Others	46,32,432	43,96,123
Director Sitting Fees	45,000	45,000
Vehicle Upkeep and Maintenance	70,37,514	56,01,936
Security Charges	43,04,896	38,48,727
Printing and Stationery	5,24,117	2,74,628
Fees and Subscription	1,54,144	89,071
Books and periodicals	8,720	-
Advertisement Expenses	-	1,87,500
Business Promotion	13,90,547	6,60,464
Forwarding Charges	10,000	-
Bad Debts Written Off	3,33,67,518	-
Liquidated Damages	90,38,305	2,43,56,961
Miscellaneous Expenses	79,23,147	1,16,94,375
Total Other Expenses	30,68,66,785	48,62,28,502



Jindal Rail Infrastructure Limited

Significant Accounting Policies and Notes to Financial Statements

Note-32

32.1 Corporate and General Information

Jindal Rail Infrastructure Limited ("JRIL" or "the Company") is domiciled and incorporated on 25th May 2007 in India. The registered office of JRIL is situated at A-1, UPSIDC Industrial Area, Nandgaon Road, KosiKalan, District Mathura, 281403 (U.P.) India.

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

32.2 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) Rule 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. 32.3 of the Notes to these Financial Statements.

32.3. Significant Accounting Policies

32.3.1 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,

32.3.2

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. 32.4 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 lakhs (₹ 00,000) and two decimals thereof, except as stated otherwise.

32.3.3 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 straightline basis over the estimated useful lives based on technical estimates, except, moulds which are depreciated based on units of production. 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
- Buildings	40
Equipment & Machinery	
- Plant and Machinery	5-40
- Electrical Installation	5-15
Other equipment, operating and office equipment	
- Computer Equipment	3-8
- Furniture and fixture	5
- Office Equipment	3-15
- Vehicles	10-15

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.

32.3.4 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.

32.3.5 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.

32.3.6 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.

32.3.7 Inventories

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. Net realisable 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.

32.3.8 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 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.



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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 two trusts. These trusts have policies from an insurance company. These benefits are partially funded.

32.3.9 Foreign currency reinstatement and translation

(a) Functional and presentation currency

The financial statements have been presented in Indian Rupees (Rupees or), 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.

32.3.10 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 counterparty 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.

32.3.11 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.

32.3.12 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.

32.3.13 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.

32.3.14 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.

32.3.15 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.

32.3.16 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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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.

32.3.17 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.

32.3.18 Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

32.3.19 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.



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32.3.20 Leases:

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

And in case entity is lessor, it identifies whether the lease is defined as finance or operating lease as per the criteria given in Ind As 116.

In case of Operating lease, an entity recognises lease payment as income on straight line basis

In case of Finance lease, an entity initial measurement

- (i) derecognises the carrying amount of underlying assets
- (ii) recognise the net investment in lease
- (iii) recognise profit and loss on selling profit or selling loss

and on subsequent measurement, entity recognises finance income over the lease period and reduces the net investment in the lease for lease payment received and recognise income from any variable lease payments and recognises any impairment of the net investment in the lease

32.4. 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.

(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



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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.

32.5. Financial risk management

32.5.1 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, 2020 and March 31, 2019.

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.

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



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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 no foreign currency trade payables and receivable outstanding as on 31st March, 2020 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.

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

(b) Interest rate risk and sensitivity

The Company'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.

(Amount in ₹)		
Particulars	Increase/ Decrease in basis points	Effect on Profit before tax
For the year ended March 31, 2020		
INR Borrowing	+50	46,43,806
	-50	(46,43,806)
For the year ended March 31, 2019		
INR Borrowing	+50	58,12,264
	-50	(58,12,264)

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.

- Trade Receivables



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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:

(Amount in ₹)

Particulars	Not due	Past Due			Total
		upto 6 months	6 to 12 months	Above 12 months	
Trade Receivable					
As at March 31,2020					
-Unsecured considered good	-	11,84,20,464	-	7,16,37,558	19,00,58,022
Considered Doubtful	-	-	-	-	-
Provision for doubtful receivables	-	-	-	-	-
Total	-	11,84,20,464	-	7,16,37,558	19,00,58,022
As at March 31,2019					
-Unsecured considered good	-	36,58,97,767	-	10,50,00,000	47,08,97,767
Considered Doubtful	-	-	-	-	-
Provision for doubtful receivables	-	-	-	-	-
Total	-	36,58,97,767	-	10,50,00,000	47,08,97,767

• Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

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.

(Amount in ₹)

Particular	As at March 31, 2020					
	Carrying Amount	On Demand	Less Than 6 Months	6 to 12 Months	>1 Years	Total
Interest Bearing Borrowing	2,93,87,17,798	-	11,51,25,000	44,75,48,098	2,37,60,44,700	2,93,87,17,798
Other Liabilities	28,49,62,754	3,87,91,654	2,25,64,104	-	22,36,06,996	28,49,62,754
Trade And Other Payables	12,40,89,791	-	12,40,89,791	-	-	12,40,89,791
Total	3,34,77,70,343	3,87,91,654	26,17,78,895	44,75,48,098	2,59,96,51,696	3,34,77,70,343

(Amount in ₹)

Particular	As at March 31, 2019					
	Carrying Amount	On Demand	Less Than 6 Months	6 to 12 Months	>1 Years	Total
Interest Bearing Borrowing	2,84,42,99,568	-	10,79,06,250	41,04,53,649	2,32,59,39,669	2,84,42,99,568
Other Liabilities	22,08,45,405	1,68,37,283	2,80,24,818	-	17,59,83,304	22,08,45,405
Trade And Other Payables	34,51,67,772	-	34,51,67,772	-	-	34,51,67,772
Total	3,41,03,12,745	1,68,37,283	48,10,98,840	41,04,53,649	2,50,19,22,973	3,41,03,12,745



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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.

Interest rate and currency of borrowings

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

(Amount in ₹)

Particulars	Total Borrowing	Floating rate borrowing	Fixed rate borrowing	Weighted Average rate
INR	2,93,87,17,798	2,19,65,82,119	74,21,35,679	
Total as at March 31, 2020	2,93,87,17,798	2,19,65,82,119	74,21,35,679	12.34%
INR	2,84,42,99,568	2,10,90,14,568	73,52,85,000	
Total as at March 31, 2019	2,84,42,99,568	2,10,90,14,568	73,52,85,000	11.77%

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.

Capital risk management

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, 2020 and March 31, 2019.

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 2019-20 and 2018-19 is an under.



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Significant Accounting Policies and Notes to Financial Statements

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(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans And Borrowings	2,93,87,17,798	2,84,42,99,568
Less: Cash And Cash Equivalents	12,67,318	1,33,31,677
Net Debt	2,93,74,50,480	2,83,09,67,891
Equity	1,78,56,54,032	2,01,36,69,722
Total Capital	4,72,31,04,512	4,84,46,37,613
Gearing Ratio	62.19%	58.44%

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.

Impact of COVID 19 :

COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period which has been extended till May 31, 2020. However, production and supply of goods has commenced during the month of April 2020 on various dates at all the manufacturing locations of the Company after obtaining permissions from the appropriate government authorities. All necessary precautions relating to hygiene, sanitization, social distancing, care and protection of the employees would continue to be followed.

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. It has also assessed the probability of occurrence of forecasted transactions under the hedging relationships and continues to evaluate them as highly probable considering the orders in hand. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone financial results. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business

32.6. 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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(Amount in ₹)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets designated at fair value through profit and loss				
Financial assets designated at amortised cost				
Fixed deposits with banks	14,33,14,572	14,33,14,572	15,75,25,599	15,75,25,599
Cash and bank balances	12,67,318	12,67,318	1,33,31,677	1,33,31,677
Investment	12,73,41,306	12,73,41,306	12,33,05,589	12,33,05,589
Trade and other receivables	19,00,58,022	19,00,58,022	47,08,97,767	47,08,97,767
Other financial assets	4,18,75,201	4,18,75,201	36,48,634	36,48,634
Total	50,38,56,419	50,38,56,419	76,87,09,266	76,87,09,266
Financial liabilities designated at amortised cost				
Borrowings- fixed rate	74,21,35,679	74,21,35,679	73,52,85,000	73,52,85,000
Borrowings- floating rate	2,19,65,82,119	2,19,65,82,119	2,10,90,14,568	2,10,90,14,568
Trade and other payables	12,40,89,791	12,40,89,791	34,51,67,772	34,51,67,772
Other financial liabilities	28,49,62,754	28,49,62,754	22,08,45,405	22,08,45,405
Total	3,34,77,70,343	3,34,77,70,343	3,41,03,12,745	3,41,03,12,745

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).

(Amount in ₹)

Particulars	As at March 31, 2020		
	Level 1	Level 2	Level 3
Financial assets			
Non Current Investment		12,73,41,306	

(Amount in ₹)

Particulars	As at March 31, 2019		
	Level 1	Level 2	Level 3
Financial assets			
Non Current Investment		12,33,05,589	

Assets / Liabilities for which fair value is disclosed:

(Amount in ₹)

Particulars	As at March 31, 2020		
	Level 1	Level 2	Level 3
Financial liabilities			
Borrowings- fixed rate		74,21,35,679	
Borrowings- floating rate		2,19,65,82,119	
Other financial liabilities		28,49,62,754	

(Amount in ₹)

Particulars	As at March 31, 2019		
	Level 1	Level 2	Level 3
Financial liabilities			
Borrowings- fixed rate		73,52,85,000	
Borrowings- floating rate		2,10,90,14,568	
Other financial liabilities		22,08,45,405	

During the year ended March 31, 2020 and March 31, 2019, 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, 2020 and March 31, 2019, respectively:

a) Assets / Liabilities measured at fair value



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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 Published 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

32.7. 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.

Particulars	2019-20			2018-19		
	Within India	Outside India	Total	Within India	Outside India	Total
Gross Revenue from Operations	2,13,97,66,915	-	2,13,97,66,915	2,74,15,92,926	-	2,74,15,92,926
Non current Assets	2,85,61,36,378	-	2,85,61,36,378	2,90,61,94,683	-	2,90,61,94,683

(Amount in ₹)

32.8. Income tax expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Deferred Tax		
-Relating to origination & reversal of temporary differences	3,39,45,915	73,15,252
-Relating to Change in tax rate	(4,47,41,836)	-
Total Tax (expense)/income	(1,07,95,921)	73,15,252

(Amount in ₹)

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:

S.No	Description	Year ended March 31, 2020	Year ended March 31, 2019
	Net Loss/ (Income) before taxes	21,61,55,611	8,67,30,766
	Enacted tax rates	25.168%	27.820%
	Computed tax Income/ (expense)	5,44,02,044	2,41,28,499
	Increase/(reduction) in taxes on account of:		
1	Deferred Tax of previous years	7,79,042	40,25,573
2	Other non deductible expenses	(2,12,35,171)	(2,08,38,820)
3	Effect of change in tax rate	(4,47,41,836)	-
	Income tax expense reported	(1,07,95,921)	73,15,252

(Amount in ₹)



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32.9. Deferred Income Tax

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

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Book base and tax base of Fixed Assets	1,43,91,746	(1,38,49,045)
(Disallowance)/Allowance(net) under Income Tax	2,53,796	14,86,355
Brought forward losses set off	(2,54,41,463)	1,96,77,942
Total	(1,07,95,921)	73,15,252

(Amount in ₹)		
Description	Year ended March 31, 2020	Year ended March 31, 2019
Component of OCI		
Deferred Tax (Gain)/Loss on defined benefit	48,449	13,623
Deferred Tax (Gain)/Loss on fair valuation on equity Instrument	10,15,709	48,13,680

32.10. Retirement benefit obligations

1. Expense recognised for Defined Contribution plan

(Amount in ₹)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Company's contribution to provident fund	47,26,910	36,29,522
Company's contribution to ESI	2,01,056	23,362
Total	49,27,966	36,52,884

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, 2020 and March 31, 2019, being the respective measurement dates:

2. Movement in defined benefit obligation

(Amount in ₹)		
Particulars	Gratuity (funded)	leave encashment (unfunded)
Present value of obligation - April 1, 2018	66,25,232	40,69,205
Current service cost	17,57,771	17,66,530
Interest cost	5,80,099	3,91,986
Benefits paid	(1,19,934)	(7,36,173)
Acquisitions / Transfer in/ Transfer out	(26,451)	-
Remeasurements - actuarial loss/ (gain)	1,25,012	9,66,341
Present value of obligation - March 31, 2019	89,41,729	64,57,889
Present value of obligation - April 1, 2019	89,41,729	64,57,889
Current service cost	15,01,707	13,19,146
Interest cost	6,25,921	4,52,053
Benefits paid	-	(11,10,028)
Benefits Received	6,15,435	-
Remeasurements - actuarial loss/ (gain)	(1,24,682)	14,00,868
Present value of obligation - March 31, 2020	1,15,60,110	85,19,928



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3. Movement in Plan Assets – Gratuity

Particulars	(Amount in ₹)	
	Year ended March 31, 2020	Year ended March 31, 2019
Fair value of plan assets at beginning of year	88,97,404	60,91,941
Expected return on plan assets	6,22,819	4,72,125
Employer contributions	20,73,232	24,03,678
Benefits paid	-	(1,19,934)
Benefits Received	6,15,435	-
Acquisitions / Transfer in/ Transfer out	-	(26,451)
Actuarial gain / (loss)	67,820	76,045
Fair value of plan assets at end of year	1,22,76,710	88,97,404
Present value of obligation	1,15,60,110	89,41,729
Net funded status of plan	7,16,600	(44,326)
Actual return on plan assets	6,90,638	5,48,170

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

4. Recognised in profit and loss

Particulars	(Amount in ₹)	
	Gratuity	Leave encashment
Current Service cost	17,57,771	17,66,530
Interest cost	5,80,099	3,91,986
Expected return on plan assets	(4,72,125)	-
Remeasurement - Acturial loss/(gain)	-	9,66,341
For the year ended March 31, 2019	18,65,745	31,24,857
Current Service cost	15,01,707	13,19,146
Interest cost	6,25,921	4,52,053
Expected return on plan assets	(6,22,819)	-
Remeasurement - Acturial loss/(gain)	-	14,00,868
For the year ended March 31, 2020	15,04,809	31,72,067
Actual return on plan assets	6,90,638	-

5. Recognised in other comprehensive income

Particulars	(Amount in ₹)	
	Gratuity	
Remeasurement - Acturial loss/(gain)	48,967	
For the year ended March 31, 2019	48,967	
Remeasurement - Acturial loss/(gain)	(1,92,502)	
For the year ended March 31, 2020	(1,92,502)	

6. 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, 2020	As at March 31, 2019
Attrition rate	5.00% PA	5.00% PA
Discount Rate	7.00% PA	7.75% 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 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of employees (years)	22.08	22.08



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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)

Particulars	(Amount in ₹)
	Gratuity
01 Apr 2020 to 31 Mar 2021	34,06,097
01 Apr 2021 to 31 Mar 2022	2,10,743
01 Apr 2022 to 31 Mar 2023	8,97,249
01 Apr 2023 to 31 Mar 2024	3,34,978
01 Apr 2024 to 31 Mar 2025	1,76,283
01 Apr 2025 Onwards	65,34,760

7. Statement of Employee benefit provision

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Gratuity	-	44,326
Leave encashment	85,19,928	64,57,889
Total	85,19,928	65,02,215

8. Current and non-current provision for Gratuity and leave encashment

As At March 31, 2019

Particulars	Gratuity	Leave encashment
Current provision	-	18,11,626
Non current provision	44,326	46,46,263
Total Provision	44,326	64,57,889

As At March 31, 2020

Particulars	Gratuity	Leave encashment
Current provision	-	27,52,632
Non current provision	-	57,67,296
Total Provision	-	85,19,928

9. Employee benefit expenses

Employee benefit expenses	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	8,59,40,585	7,49,02,209
Costs-defined contribution plan	50,09,452	38,33,568
Welfare expenses	60,90,334	48,74,340
Total	9,70,40,371	8,36,10,117

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	8,59,40,585	7,49,02,209
Costs-defined contribution plan	50,09,452	38,33,568
Welfare expenses	60,90,334	48,74,340
Total	9,70,40,371	8,36,10,117



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(Figures in no.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Average no of people employed	101	104

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.

32.11. Other disclosures

a) Auditors Remuneration

(Amount in ₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1. Statutory Auditors		
i. Audit Fee	24,000	24,000
ii. Tax Audit Fee	12,000	12,000
Total	36,000	36,000
2. Cost Auditors		
i. Audit Fee	50,000	50,000
Total	50,000	50,000

32.12. Contingent liabilities

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Bank Guarantees issued by the Company's bankers on behalf of the Company	42,98,37,428	48,29,91,208
Bank Guarantees issued by the Holding Company's bankers on behalf of the Company	7,05,03,500	20,00,000
Foreign/Inland Letter of Credit issued by the Holding Company's bankers on behalf of the Company	-	24,16,78,804
Foreign/Inland Letter of Credit issued by the Company's bankers on behalf of the Company	8,99,49,625	17,24,08,498
Total	59,02,90,553	89,90,78,510

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



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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.

32.13. 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 exists and with whom transactions have taken place during reported periods, are:

Related party name and relationship

1. Key Managerial personnel

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

2. Parent, direct subsidiaries and indirect subsidiaries.

S. No.	Name of the Entity	Relationship
1	JITF Infralogistics Limited	Ultimate Parent Company
2	JITF Urban Infrastructure Services Limited	Holding Company
3	JITF Urban Infrastructure Limited	Fellow Holding
4	JWIL Infra Limited	Fellow Holding
5	JITF Water Infra (Naya Raipur) Limited	Fellow Step Down Subsidiary
6	JITF ESIPL CETP (Sitarganj) Limited	Fellow Step Down Subsidiary
7	JITF Industrial Infrastructure Development Company Limited	Fellow Step Down Subsidiary
8	JITF Urban Waste Management (Ferozepur) Limited	Fellow Step Down Subsidiary
9	JITF Urban Waste Management (Jalandhar) Limited	Fellow Step Down Subsidiary
10	JITF Urban Waste Management (Bathinda) Limited	Fellow Step Down Subsidiary
11	Jindal Urban Waste Management (Vishakhapatnam) Limited	Fellow Step Down Subsidiary
12	Jindal Urban Waste Management (Tirupati) Limited	Fellow Step Down Subsidiary
13	Jindal Urban Waste Management (Guntur) Limited	Fellow Step Down Subsidiary
14	Timarpur- Okhla Waste Management Company Limited	Fellow Step Down Subsidiary
15	Jindal Urban Waste Management (Jaipur) Limited	Fellow Step Down Subsidiary
16	Jindal Urban Waste Management (Jodhpur) Limited	Fellow Step Down Subsidiary
17	Jindal Urban Waste Management (Ahmedabad) Limited	Fellow Step Down Subsidiary
18	Tekhhand Waste to Electricity Project Limited	Fellow Step Down Subsidiary

3. Entities falling under same promoter group.

S.No.	Name of the entity
1	Jindal Saw Limited
2	Jindal ITF Limited
3	JITF Commodity Tradex Limited

4. Joint ventures/ associates



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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	JMC-JWIL (JV)	Joint Venture of Fellow Subsidiary
8	Eldeco SIDCUL Industrial Park Limited	Associate/Joint Venture of Fellow Subsidiary
9	Ladurner Impianpi S.R.L Italia	Associate/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 employment benefit plan



Significant Accounting Policies and Notes to Financial Statements

Note-32

Related Party Transactions

(Amount in `)

Description	Parent / Holding / Fellow Holding Companies		Subsidiary / Fellow Subsidiary Companies		KMP, Relatives of KMP and Entities falling under same promoter group	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Loan taken during the year						
JITF Urban Infrastructure Limited	-	-	1,02,00,00,000	-	-	-
Timarpur Okhla Waste Management Company Limited	-	-	1,00,00,000	-	-	-
JITF Commodity Tradex Limited	-	-	-	-	-	3,70,00,000
JITF Urban Infrastructure Services Limited	32,38,75,000	1,06,76,87,756	-	-	-	-
Loan repaid during the year						
Timarpur Okhla Waste Management Company Limited	-	-	1,00,00,000	-	-	-
JITF Urban Infrastructure Services Limited	1,15,73,00,000	30,95,00,000	-	-	-	-
Advance received during the year						
Jindal Urban Waste Management (Guntur) Limited	-	-	4,02,00,000	-	-	-
Jindal Saw Limited	-	-	-	-	3,87,06,335	-
Advance return during the year						
Jindal Urban Waste Management (Guntur) Limited	-	-	4,02,00,000	-	-	-
Expenses incurred by others and reimbursed						
JWIL Infra Limited	-	-	-	23,333	-	-
JITF Infralogistics Limited	9,360	25,650	-	-	-	-
Jindal Urban Waste Management (Ahmedabad) Limited	-	-	-	22,800	-	-
Jindal Urban Waste Management (Visakhapatnam) Limited	-	-	2,14,84,296	3,41,02,386	-	-
Jindal Urban Waste Management (Guntur) Limited	-	-	51,55,885	4,22,29,250	-	-
Timarpur-Okhla Waste Management Company Limited	-	-	1,55,993	2,01,922	-	-
JITF Urban Infrastructure Services Limited	8,15,267	5,86,574	-	-	-	-
Jindal Saw Limited	-	-	-	-	5,68,616	3,27,104
Purchase of Services						
JITF Infralogistics Limited	1,09,48,566	67,50,651	-	-	-	-
Sale of Services						
JWIL Infra Limited	-	-	6,95,163	10,32,229	-	-
Purchase of Services						
JWIL Infra Limited	-	-	2,40,728	5,30,997	-	-
Ms. Shreya Agarwal	-	-	-	-	8,95,524	8,95,524
Ms. Sasmita Biswal	-	-	-	-	4,91,976	4,91,976
Interest Expenses						
Unwinding Charges on 0% OFCD						
JITF Urban Infrastructure Services Limited	8,43,73,692	7,57,75,764	-	-	-	-
Interest Expenses						
JITF Commodity Tradex Limited	-	-	-	-	54,83,600	28,64,201
Jindal ITF Limited	-	-	-	-	76,11,866	69,12,018
JITF Urban Infrastructure Limited	-	-	1,26,76,064	-	-	-
Timarpur Okhla Waste Management Company Limited	-	-	3,34,351	-	-	-
JITF Urban Infrastructure Services Limited	10,19,26,147	5,64,85,728	-	-	-	-

(Amount in `)

Particulars	2019-20	2018-19
Sitting Fees Paid to Directors		
Sitting Fees	45,000	45,000



Jindal Rail Infrastructure Limited

Significant Accounting Policies and Notes to Financial Statements

Note-32

Related Party Balances

(Amount in ₹)

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 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Share Capital including share premium						
JITF Urban Infrastructure Services Limited	91,68,35,090	91,68,35,090	-	-	-	-
Loan Amount Payable						
Jindal ITF Limited	-	-	-	-	7,45,11,693	6,76,61,014
JITF Urban Infrastructure Services Limited	7,18,52,301	81,35,43,769	-	-	-	-
JITF Urban Infrastructure Limited	-	-	1,03,14,08,458	-	-	-
Timarpur Okhla Waste Management Company Limited	-	-	3,00,916	-	-	-
JITF Commodity Tradex Limited	-	-	-	-	4,50,96,862	3,97,77,770
0% Optionally Fully Convertible Debentures						
JITF Urban Infrastructure Services Limited						
Equity Component 0% OFCD	1,28,86,70,114	1,28,86,70,114	-	-	-	-
Debt Component 0% OFCD	66,76,23,986	66,76,23,986	-	-	-	-
Receivables						
Ajaya Kumar Biswal	-	-	-	-	73,277	-
JWIL Infra Limited	-	-	1,59,065	-	-	-
Payables						
Ms. Shreya Agarwal	-	-	-	-	73,881	73,881
Ms. Sasmita Biswal	-	-	-	-	40,588	40,588
JITF Urban Infrastructure Services Limited (Provision for unwinding charges on fair valuation of 0% OFCD)	16,03,56,996	7,59,83,304	-	-	-	-
Amount Payable						
Jindal Saw Limited	-	-	-	-	3,87,91,654	54,794
JITF Urban Infrastructure Services Limited	2,360	-	-	-	-	-
JITF InfraLogistics Limited	11,02,462	10,24,604	-	-	-	-

Remuneration to Key Managerial Personnel (KMP)

(Amount in ₹)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Short-Term employee benefits *	1,53,35,295	1,29,68,972
- Defined contribution plan \$	6,91,200	7,48,131
- Defined benefit plan #	2,15,684	-
Total	1,62,42,179	1,37,17,103

(Amount in ₹)

Name	Year Ended March 31, 2020	Year Ended March 31, 2019
Mr. Arun Kumar Khosla	91,24,356	80,58,633
Mr. Pawan Kumar Agarwal	45,00,977	38,59,620
Mr. Ajaya Kumar Biswal	16,12,412	13,46,838
Mr. Pankaj Agarwal	10,04,434	4,52,012
Total	1,62,42,179	1,37,17,103

* Including bonus, sitting fees and value of perquisites

\$ Including PF and any other benefit

As the liability for gratuity and leave encashment are provided on actuarial basis for the company as a whole, amounts accrued pertaining to key managerial personnel are not included in above.



Jindal Rail Infrastructure Limited

Significant Accounting Policies and Notes to Financial Statements

Note-32

32.14. 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	(Number of shares)	
	Year ended March 31, 2020	Year ended March 31, 2019
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

Particulars	(Amount in ₹)	
	Year ended March 31, 2020	Year ended March 31, 2019
Profit and loss after tax - B	(23,11,79,751)	(7,94,15,514)
Basic and Diluted Earnings per share (B/A)	(7.56)	(2.60)
Restated Basic and Diluted Earnings per share (B/A)	(7.56)	(2.60)

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

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

33. Notes 1 to 32 are annexed and form integral part of Financial Statements.

As per our report of even date attached

For P.C. Goyal & Co.

Chartered Accountants

Firm Registration No. 002368N

For and on behalf of Board of Directors of

Jindal Rail Infrastructure Limited

M.P. Jain

Partner

M.No. 082407

Place : New Delhi

Dated : 25th June 2020



Arun Kumar Khosla

Whole Time Director

DIN - 00038033

Ajaya Kumar Biswal

Chief Financial Officer

Rajeev Goyal

Director

DIN - 07003755

Pankaj Agarwal

Company

Secretary

M No. A-26877