

JAIGARH DIGNI RAIL LIMITED

Balance Sheet as at 31st March, 2020

CIN: U60232MH2015PLC264711

INR in Lakh

Particulars	Note no.	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
NON-CURRENT ASSETS :			
Property, Plant and Equipment	2	14.13	17.47
Capital Work-In-Progress	2	4,993.70	4,429.67
Other Intangible Assets	2	0.91	2.57
Deferred Tax Assets (Net)	3	0.00	9.00
Other Non-Current Assets	4	3,683.23	4,452.27
Total Non-Current Assets		8,691.97	8,910.98
CURRENT ASSETS :			
Financial Assets			
Investments	5	190.33	-
Cash and Cash Equivalents	6	25.83	278.56
Bank Balance Other Than Cash and Cash Equivalents	7	-	2,325.90
Other Financial Assets	8	2,387.14	60.18
Current Tax Assets (Net)	3	1.64	-
Other Current Assets	9	39.98	46.68
Total Current Assets		2,644.92	2,711.32
TOTAL ASSETS		11,336.89	11,622.30
EQUITY AND LIABILITIES			
EQUITY :			
Equity Share Capital	10	10,000.00	10,000.00
Other Equity	11	168.15	164.91
Total Equity		10,168.15	10,164.91
LIABILITIES :			
NON-CURRENT LIABILITIES :			
Financial Liabilities			
Other Financial Liabilities	12	68.52	198.72
Provisions	13	9.50	33.58
Total Non-Current Liabilities		78.02	232.30
CURRENT LIABILITIES :			
Financial Liabilities			
Borrowings	14	900.00	1,000.00
Trade Payables	15		-
Total outstanding dues of micro and small enterprises			-
Total outstanding dues of creditors other than micro and small enterprises		53.38	149.09
Other Financial Liabilities	16	130.77	60.11
Other Current Liabilities	17	6.22	7.64
Provisions	18	0.35	1.68
Current Tax Liabilities (Net)	3	-	6.57
Total Current Liabilities		1,090.72	1,225.09
TOTAL EQUITY AND LIABILITIES		11,336.89	11,622.30
Significant Accounting Policies	1		

The accompanying notes form an integral part of financial statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Shah Gupta & Co.

Chartered Accountants

Firm Registration No: I09574W

Amit Chaudhri
Managing Director
DIN : 03512552

Dinesh Kumar
Director
DIN : 07065851

Vipul K Choksi

Partner

M.No. 037606

UDIN: 20037606AAAAAX1627

Pankaj Jhanwar
Chief Financial Officer

Miraj Shah
Company Secretary
M. No. 41912

Dated : 27th May 2020

Place : Mumbai

Dated : 27th May 2020

Place : Mumbai

JAIGARH DIGNI RAIL LIMITED
Statement of Profit and Loss for the year ended 31st March, 2020

INR in Lakh

Particulars	Note no.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
INCOME			
Other Income	19	63.62	169.36
TOTAL INCOME		63.62	169.36
EXPENSES			
Employee Benefits Expense	20	31.92	41.72
Finance Cost	21	-	3.01
Depreciation and Amortisation Expense	22	7.58	7.49
Other Expenses	23	10.61	29.14
TOTAL EXPENSES		50.11	81.36
PROFIT BEFORE TAX		13.51	88.00
TAX EXPENSE			
Current Tax	3	2.66	22.92
Deferred Tax	3	8.64	2.75
PROFIT FOR THE YEAR		2.21	62.33
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Remeasurement loss/ (Gain) on Employee benefits expenses		(1.39)	16.52
Income tax on Items that will not be reclassified to profit or loss		0.36	(4.30)
Total other comprehensive income for the year		(1.03)	12.22
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3.24	50.11
Earning per share (Rs.)			
(Face value of equity share of Rs. 10 each)			
Basic (Rs.)		0.00	0.06
Diluted (Rs.)		0.00	0.06
SIGNIFICANT ACCOUNTING POLICIES	1		

The accompanying notes form an integral part of financial statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Shah Gupta & Co.
Chartered Accountants
Firm Registration No: I09574W

Amit Chaudhri
Managing Director
DIN : 03512552

Dinesh Kumar
Director
DIN : 07065851

Vipul K Choksi
Partner
M.No. 037606
UDIN: 20037606AAAAAXI627

Pankaj Jhanwar
Chief Financial Officer

Miraj Shah
Company Secretary
M. No. 41912

Dated : 27th May 2020
Place : Mumbai

Dated : 27th May 2020
Place : Mumbai

JAIGARH DIGNI RAIL LIMITED
Statement of Cash Flow for the year ended 31st March, 2020

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
[A] Cash flows from operating activities		
Profit before tax from continuing operations	13.51	88.00
Adjustments for:		
Depreciation and amortisation expense	7.58	7.49
Interest income	(58.29)	(118.28)
Profit on sale of current investments	(5.33)	(51.08)
Provisions for employee benefits	#	#
Operating profit before working capital changes	(66.55)	(62.32)
Adjustments for:		
(Increase)/ Decrease in trade and other receivables	(1,552.86)	124.15
Increase/ (Decrease) in trade and other payables	(164.98)	14.73
Cash (used in)/from operations	(1,717.84)	138.88
Income taxes paid (net of refunds)	(0.92)	(6.50)
Net cash used in operating activities [A]	(1,785.31)	70.06
[B] Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets and Asset under development	(566.60)	(2,751.11)
Sale proceeds from sale of current investment	40.00	51.08
Current Investment made during the year	(225.00)	-
Fixed deposit not considered as cash and cash equivalent	2,325.90	1,781.57
Interest received	58.29	115.11
Net Cash (used in) / from investing activities [B]	1,632.58	(803.36)
[C] Cash flows from financing activities		
Proceeds/ (Repayment) Borrowings	(100.00)	1,000.00
Net cash (used in) / from financing activities [C]	(100.00)	1,000.00
Net increase / (decrease) in cash and cash equivalents(A+B+C)	(252.72)	266.70
Cash and cash equivalents at beginning of the year	278.56	11.86
Cash and cash equivalents at end of the year	25.84	278.56

Reconciliation Part of Cash Flows

₹ in Lakhs

Particulars	As at 31st March, 2019	Cash Flows	As at 31st March, 2020
Short-term borrowings	1,000.00	(100.00)	900.00
Total liabilities from financing activities	1,000.00	(100.00)	900.00

As per our attached report of even date

For and on behalf of the Board of Directors

For Shah Gupta & Co.

Chartered Accountants

Firm Registration No: 109574W

Amit Chaudhri
Managing Director
DIN : 03512552

Dinesh Kumar
Director
DIN : 07065851

Vipul K Choksi

Partner

M.No. 037606

UDIN: 20037606AAAAAXI627

Pankaj Jhanwar

Chief Financial Officer

Miraj Shah

Company Secretary

M. No. 41912

Dated : 27th May 2020

Place : Mumbai

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Place : Mumbai

JAIGARH DIGNI RAIL LIMITED

Statement of Changes in Equity for the year ended 31st March, 2020

A) EQUITY SHARE CAPITAL

INR in Lakh

Balance as at 1st April, 2019	Changes in equity share capital during the year	Balance as at 31st March, 2020
10,000.00	-	10,000.00

Balance as at 1st April, 2018	Changes in equity share capital during the year	Balance as at 31st March, 2019
10,000.00	-	10,000.00

B) OTHER EQUITY

INR in Lakh

Particulars	Retained Earnings	Other Comprehensive Income	Total equity attributable to equity holders of the Company
Balance as at 1st April, 2019	179.66	(14.75)	164.91
Profit for the year	2.21	-	2.21
Remeasurements loss on defined benefit plans	-	1.03	1.03
Balance as at 31st March, 2020	181.88	(13.73)	168.15

Particulars	Retained Earnings	Other Comprehensive Income	Total equity attributable to equity holders of the Company
Balance as at 1st April, 2018	117.33	(2.53)	114.80
Profit for the year	62.33	-	62.33
Remeasurements loss on defined benefit plans	-	(12.22)	(12.22)
Balance as at 31st March, 2019	179.66	(14.75)	164.91

As per our attached report of even date

For and on behalf of the Board of Directors

For Shah Gupta & Co.

Chartered Accountants
Firm Registration No: I09574W

Amit Chaudhri

Managing Director
DIN : 03512552

Dinesh Kumar

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M.No. 037606
UDIN: 20037606AAAAAXI627

Pankaj Jhanwar

Chief Financial Officer

Miraj Shah

Company Secretary
M. No. 41912

Dated : 27th May 2020

Place : Mumbai

Dated : 27th May 2020

Place : Mumbai

JAIGARH DIGNI RAIL LIMITED

Notes forming part of financial statement as at 31st March, 2020

NOTE 2:- PROPERTY, PLANT AND EQUIPMENT

INR in Lakh

Particulars	Tangible Assets					Total	Intangible Assets	Capital work-in-progress
	Computer	Mobile	Printer	Office Equipment	Furniture & Fixture		Computer Software	
Cost:								
As at 31-03-2018	9.74	0.48	1.68	8.66	2.05	22.61	5.24	2,193.86
Additions	-	-	-	-	4.39	4.39	-	2,235.81
Disposal/transfers	-	(0.48)				(0.48)	-	-
As at 31-03-2019	9.74	-	1.68	8.66	6.44	26.52	5.24	4,429.67
Additions	-	-	-	-	2.57	2.57		564.03
Disposal/transfers								
As at 31-03-2020	9.74	-	1.68	8.66	9.02	29.09	5.24	4,993.70
Accumulated Depreciation:	-							-
As at 31-03-2018	2.18	0.15	0.32	0.67	0.06	3.37	1.01	-
Depreciation charge for the year	3.04	(0.15)	0.53	1.65	0.61	5.68	1.66	
As at 31-03-2019	5.22	-	0.85	2.32	0.67	9.05	2.67	-
Depreciation charge for the year	2.95	-	0.53	1.65	0.80	5.92	1.66	
As at 31-03-2020	8.17	-	1.38	3.96	1.46	14.97	4.33	-
Net book value								
At 31-03-2018	7.56	0.33	1.36	7.99	1.99	19.24	4.23	2,193.86
At 31-03-2019	4.52	-	0.83	6.34	5.77	17.47	2.57	4,429.67
At 31-03-2020	1.57	-	0.30	4.70	7.55	14.13	0.91	4,993.70

JAIGARH DIGNI RAIL LIMITED
Notes forming part of financial statement as at 31st March, 2020
NOTE 3:- TAXES

Income tax expense in the statement of profit and loss comprises:

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current taxes	2.66	22.92
Deferred taxes	(6.86)	1.55
	(4.20)	24.47

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Reconciliation		
Profit before income tax	13.51	88.00
Capital Gains	(1.73)	(51.08)
Accounting profit before income tax	11.78	36.92
Applicable tax rate	26.00%	26.00%
Computed tax expense	3.06	9.60
Expense not allowed for tax purpose	0.08	(0.85)
Other temporary differences	-	-
Tax on short term capital gain	(0.49)	15.94
Tax of earlier year no longer required	-	(1.77)
Income tax expense charged to the Statement of Profit and Loss	2.66	22.92
	2.66	22.92

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2020 and March 31, 2019:

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Income tax assets	123.68	18.31
Income tax liabilities	(122.04)	(24.89)
Net Current Income Tax Asset/Liabilities	1.64	(6.57)

RECONCILIATION OF DEFERRED TAX ASSETS / (LIABILITIES) NET:

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	9.00	7.45
Deferred income tax assets		
Accrued compensation to employees	1.92	9.16
Property, plant and equipment	1.27	-
Total deferred tax assets	3.19	9.16
Deferred income tax liabilities		
Property, plant and equipment	-	(0.16)
Other items giving rise to temporary differences	(1.05)	
Total deferred tax liabilities	(1.05)	(0.16)
Tax income / (expense) during the period recognised in profit or loss	(6.86)	1.55
Deferred Tax Asset Written off	(2.15)	-
Deferred Tax Assets carried to Balance Sheet	0.00	9.00

JAIGARH DIGNI RAIL LIMITED**Notes forming part of financial statement as at 31st March, 2020**

Due to temporary suspension of the project the company do not for see and taxable income in near future and the consequent tax liability, hence the existing Deferred Tax Assets has been written off during the year.

NOTE 4:- NON-CURRENT ASSETS-OTHERS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital advances	3,683.23	4,452.27
	3,683.23	4,452.27

NOTE 5:- INVESTMENTS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Quoted investments measured at Fair Value Through Profit and Loss		
Investments in mutual funds	190.33	-
	190.33	-
Aggregate of quoted investments		
At book value	186.73	-
At market value	190.33	-

NOTE 6:- CASH AND CASH EQUIVALENTS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash and cash equivalents:		
Balances with banks:		
In current accounts	25.40	28.09
In Term deposit with maturity less than 3 months at inception	-	250.00
Cash on hand	0.43	0.47
	25.83	278.56

NOTE 7:- BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
In Term Deposit with maturity more than 3 months less than 12 months at inception	-	2,325.90
	-	2,325.90

NOTE 8:- OTHER FINANCIAL ASSETS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest accrued but not due	-	3.17
Other Receivables	61.24	54.09
Due from related parties (Refer Note 24 and 25)	2,325.90	2.93
	2,387.14	60.18

NOTE 9:- OTHER CURRENT ASSETS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance with Government authorities	39.11	45.28
Prepaid expenses	0.87	1.40
	39.98	46.68

JAIGARH DIGNI RAIL LIMITED

Notes forming part of financial statement as at 31st March, 2020

NOTE 10:- EQUITY SHARE CAPITAL

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorised:		
Equity Shares of Rs. 10 each (19,30,00,000 equity shares of Rs. 10 each as at 31.03.2020 and 31.03.2019)	19,300.00	19,300.00
Issued, Subscribed and paid-up:		
Equity Shares of Rs. 10 each (10,00,00,000 Equity Shares of Rs. 10 each as at 31.03.2020 and 10,00,00,000 Equity Shares of Rs. 10 Each as at 31.03.2019)	10,000.00	10,000.00
	10,000.00	10,000.00

(a) Reconciliation of the number of the shares outstanding at the beginning and at the end of the year:

INR in Lakh

Issued and Subscribed and paid up share capital	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	100,000,000	10,000.00	100,000,000	10,000.00
Issued during the year	-	-	-	-
Balance at the end of the year	100,000,000	10,000.00	100,000,000	10,000.00

(b) Terms / rights attached to equity shares:

The Company has one class of share capital, i.e., equity shares having face value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Shares held by Holding company:

INR in Lakh

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
1. JSW Jaigarh Port Limited	63,000,000	6,300.00	63,000,000	6,300.00
2. Konkan Railway Corporation Limited	26,000,000	2,600.00	26,000,000	2,600.00
3. Maharashtra Maritime Board	11,000,000	1,100.00	11,000,000	1,100.00
	100,000,000	10,000.00	100,000,000	10,000.00

(d) Details shareholders holding more than 5 % shares in the Company:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	%	No. of shares	%
1. JSW Jaigarh Port Limited	63,000,000	63.00%	63,000,000	63.00%
2. Konkan Railway Corporation Limited	26,000,000	26.00%	26,000,000	26.00%
3. Maharashtra Maritime Board	11,000,000	11.00%	11,000,000	11.00%
	100,000,000	100.00%	100,000,000	100.00%

JAIGARH DIGNI RAIL LIMITED

Notes forming part of financial statement as at 31st March, 2020

NOTE 12:- OTHER FINANCIAL LIABILITIES-NON-CURRENT

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Retention money	68.52	198.72
	68.52	198.72

NOTE 13:- PROVISIONS-NON-CURRENT

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for Employee Benefits		
Provision for gratuity (Refer Note 27)	5.93	20.85
Provision for leave encashment (Refer Note 27)	3.57	12.73
	9.50	33.58

NOTE 14:- BORROWINGS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured loans measured at amortised cost		
Loan from related party (refer note 25)	900.00	1,000.00
	900.00	1,000.00

Above loan is taken from JSW Jaigarh Port Limited bearing 10.25% interest rate and repayable on demand.

NOTE 15:- TRADE PAYABLE

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payable	53.38	149.09
	53.38	149.09

Note: Payables are normally settled within 1 to 180 days

As at March 31, 2020 and March 31, 2019, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same.

NOTE 16:- OTHER FINANCIAL LIABILITIES-CURRENT

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Employee dues	33.42	56.33
Due to others	1.22	1.22
Interest accrued and due on loans	92.31	2.56
Other payables	3.82	-
	130.77	60.11

Note: Due to others include payments to vendors, consultants etc.

NOTE 17:- OTHER CURRENT LIABILITIES

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Statutory dues	4.30	6.66
Other payables	1.92	0.98
	6.22	7.64

NOTE 18:- SHORT-TERM PROVISIONS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Provision for gratuity (Refer Note 27)	0.04	0.52
Provision for leave encashment (Refer Note 27)	0.31	1.16
	0.35	1.68

JAIGARH DIGNI RAIL LIMITED

Notes forming part of financial statement for the year ended 31st March, 2020

NOTE 19:- OTHER INCOME

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest income	58.29	118.28
Gain on sale of investments measured at fair value through Profit and Loss Statement	1.73	51.08
Unrealised gain on Mutual Fund	3.60	-
	63.62	169.36

NOTE 20:- EMPLOYEE BENEFITS EXPENSE

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries and wages	38.26	39.85
Staff welfare expenses	0.25	2.59
Gratuity expenses	(3.59)	(2.81)
Leave encashment expenses	(3.00)	2.09
	31.92	41.72

NOTE 21:- FINANCE COST

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on Loan	-	2.85
Other finance cost	-	0.16
	-	3.01

NOTE 22:- DEPRECIATION AND AMORTISATION EXPENSE

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Depreciation on Tangible Assets	5.92	5.83
Amortisation on Intangible Assets	1.66	1.66
	7.58	7.49

NOTE 23:- OTHER EXPENSES

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Director's sitting fees	0.80	1.20
Legal and professional charges	3.43	6.96
Travelling expenses	1.02	2.83
Electricity expenses	-	0.91
Office expenses	-	1.26
Telephone and Internet expenses	0.03	1.23
Office rent	-	4.04
Statutory audit fees (refer note 30)	1.59	1.35
Insurance expenses	3.50	2.75
Printing and Stationery	0.04	1.19
Miscellaneous expenses	0.20	5.42
	10.61	29.14

Notes forming part of financial statement for the year ended 31st March, 2020

Note 24:- CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent Liabilities: (to the extent not provided for)

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Claims against the company not acknowledged as debts		
Bank Guarantee	-	2,325.90
	-	2,325.90

JDRL had received sanctions of debt facility of Rs 523.28 crore from three banks/ FI for its financial closure,. Subsequently, during loan documentation, in March 2018, United Bank informed that due to its internal constraints under RBI Policy, the Bank would not be able to fund the project. Subsequently, due to unavoidable change in basic assumptions of the project, Banks/FIs were not comfortable with the financial viability of the project in existing business plan, and asked to submit revised Project Report and Market Study based on revised assumptions.

The Company has decided to review market study of the project through independent consultant based on the revised assumption and till then project was kept on hold for further development with taking all safeguards for the project site and constructions already done.

During the year, Konkan Railway Corporation Limited (KRCL) invoked the Performance Bank Guarantee (PBG) on 16.08.2019 without any prior intimation/notice of the intent to invoke the PBG. The Company has requested KRCL, vide letter dated 21 August 2019 to return the amount of Rs. 23,25,90,000/- received by it by invoking the PBG unilaterally. Pending acceptance of the claim by KRCL, the Company has shown amount of Rs. 23,25,90,000/- receivable under "Other Financial Assets" (Note 8)

The Management of the Company is optimistic about the resumption of work. The Management is in discussion with various stakeholders for resolving the issues that concern the project and getting back the invoked PBG amount from KRCL.

Considering this, the present financial statements of the Company have been prepared on the 'going concern' basis, although there is a temporary suspension of the project about which final decision will be taken in due course of time by the Stakeholders.

NOTE 25:- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 24 RELATED PARTY DISCLOSURES

List of Related Parties

Name	Nature of Relation
JSW Jaigarh Port Limited	Holding Company
JSW Infrastructure Limited	Ultimate Holding Company
Konkan Railway Corporation Limited	Associate Company
Arun Maheshwari	Non executive director
Lalit Singhvi	Non executive director
Dinesh Kochukuttan Thoppil	Non executive director
Gazal Qureshi	Non executive director
Ramaswami Nallamuthu	Additional Director
Amitabh Kumar Sharma	Independent director
KC Jena	Independent director
Abhijit Narendra	Nominee Director
Rashmi Ranjan Patra	Non executive director

Key Managerial Personnel

Name	Nature of Relation
Amit Chaudhri	Managing Director
Pankaj Jhanwar	Chief Financial Officer
Miraj Shah	Company Secretary

JAIGARH DIGNI RAIL LIMITED

The following transactions were carried out with the related parties in the ordinary course of business:

INR in Lakh

Nature of transaction/relationship	For the year ended 31st March, 2020	For the year ended 31st March, 2019
JSW Jaigarh Port Limited:		
Loan Taken	-	2,400.00
Loan Repaid	100.00	1,400.00
Interest on Loan	89.75	2.85
Other Reimbursement	13.74	34.11
JSW Infrastructure Limited:		
Other Reimbursement	-	0.51
Konkan Railway Corporation Limited		
Other Advances	2,325.90	-
	2,529.39	3,837.47

Amount due (to) / from related parties

INR in Lakh

Nature of transaction/relationship	As at 31st March, 2020	As at 31st March, 2019
Accounts (payable)/ receivable		
JSW Jaigarh Port Limited	(96.13)	(2.56)
JSW Jaigarh Port Limited (ICD)	(900.00)	(1,000.00)
JSW Infrastructure Limited	-	2.93
Konkan Railway Corporation Limited	2,325.90	-
	1,329.77	(999.63)

Compensation of key management personnel of the Company

INR in Lakh

Nature of transaction / relationship	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Employee benefits expense	106.32	182.34
	106.32	182.34

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party

NOTE 26:- PRE-OPERATIVE EXPENSES IN CAPITAL WORK IN PROGRESS

INR in Lakh

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	4,429.67	2,193.86
Survey & feasibility study	18.79	21.34
Design & consultancy	3.84	111.48
Project Payment to Vendors	313.41	1,520.34
Project Insurance	(58.79)	181.09
Salary & wages	110.29	320.77
Professional fees	65.18	29.80
ICD Interest	99.72	-
Bank guarantee charges		17.17
Vehicle Hiring	6.14	23.20
Travelling expenses	5.45	10.62
Closing capital work in progress	4,993.70	4,429.67

NOTE 27:- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS
(a) Defined contribution plans:

Amount of (0.73 Lakh) is recognised as an expense and included in employee benefits expense.

(b) Defined benefit plans:

The following tables summarise the components of net benefit expenses recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Particulars	Gratuity	Gratuity
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Change in benefit obligation		
Present value of benefit obligation at the beginning of the year		
Current service cost	5.96	21.37
Present value of benefit obligation at the end of the year	5.96	21.37

Net asset / (liability) recognised in the Balance Sheet

Present Value of defined benefit obligation at the end of the year	5.96	21.37
Fair value of plan assets at the end of the year		-
Amount recognised in the balance sheet	5.96	21.37
Net (liability) / asset- current	0.04	0.52
Net (liability) / asset- non-current	5.93	20.85

Expenses recognised in the Statement of Profit and Loss for the year

Current service cost	2.98	3.37
Interest Income	1.66	0.60
Total expenses included in employee benefits expense	4.64	3.96

Recognised in other comprehensive income for the year	1.39	16.52
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Maturity profile of defined benefit obligation

Within the next 12 months (next annual reporting period)	0.04	0.52
Between 2 and 5 years	0.74	2.73
Between 6 and 10 years	5.52	25.50
11 years and above	5.63	7.36

Quantitative sensitivity analysis for significant assumption is as below:

Increase / (decrease) on present value of defined benefits obligation at the end of the year:		
One percentage point increase in discount rate	(0.43)	(1.17)
One percentage point decrease in discount rate	0.50	1.29
One percentage point increase in rate of salary increase	0.50	1.29
One percentage point decrease in rate of salary increase	(0.44)	(1.20)
One percentage point increase in employee turnover rate	(0.05)	(0.01)
One percentage point decrease in employee turnover rate	0.05	0.00

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different

Actuarial assumptions

Discount rate	7.76%	7.78%
Salary escalation	6.00%	6.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality post retirement rate	N.A.	N.A.
Rate of employee turnover	2.00%	2.00%

Defined benefit obligation - Other details

No. of active members	4	8
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Notes forming part of financial statement for the year ended 31st March, 2020

NOTE 27:- FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

INR in Lakh

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets at amortised cost:				
Investments (refer note 5)	190.33	190.33		
Cash and bank balances (refer note 6)	25.83	25.83	278.56	278.56
Other Financial assets - non current (refer note 7)	-	-	2,325.90	2,325.90
Other Financial assets- current (refer note 8)	2,387.14	2,387.14	60.18	60.18
Other Current Assets (refer note 9)	39.98	39.98	46.68	46.68
Total	2,643.28	2,643.28	2,711.32	2,711.32
Financial liabilities at amortised cost:				
Other financial liabilities- non current (refer note 11)	68.52	68.52	198.72	198.72
Borrowings (refer note 14)	900.00	900.00	1,000.00	1,000.00
Trade Payables (refer note 15)	53.38	53.38	149.09	149.09
Other financial liabilities- current (refer note 16)	130.77	130.77	60.11	60.11
Total	1,152.67	1,152.67	1,407.92	1,407.92

NOTE 28:- FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

The company is yet to start its commercial operations accordingly no market risk is perceived.

Credit risk

The company is yet to start its commercial operations hence no credit risk is perceived.

Liquidity risk

The Company's principal source of cash and cash equivalent and the cash flow is contributed by promoters. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirement, accordingly no liquidity risk is perceived.

The Company had a working capital of Rs. 1554.20 Lakh (previous year Rs. 1486.23 Lakh) which mainly includes cash and cash equivalent.

The table below provides details regarding the contractual maturities of significant financial assets and liabilities as of March 31, 2020:

As at 31st March, 2020	Less than one year	1 to 2 years	2 to 4 years	Total
Investments	190.33	-	-	190.33
Other Financial Assets	2,387.14	-	-	2,387.14
Other Financial Liabilities	-	68.52	-	68.52
Borrowings	900.00	-	-	900.00
Trade Payables	53.38	-	-	53.38
Other Financial Liabilities	130.77	-	-	130.77
	3,661.62	68.52	-	3,730.14

The table below provides details regarding the contractual maturities of significant financial assets and liabilities as of March 31, 2019:

As at 31st March, 2019	Less than one year	1 to 2 years	2 to 4 years	Total
Other Financial Assets	60.18	-	-	60.18
Other Financial Liabilities	-	198.72	-	198.72
Borrowings	1,000.00	-	-	1,000.00
Trade Payables	149.09	-	-	149.09
Other Financial Liabilities	60.11	-	-	60.11
	1,269.38	198.72	-	1,468.10

Notes forming part of financial statement for the year ended 31st March, 2020

NOTE 29:- DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 33 EARNINGS PER SHARE

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Face value of equity share (Rs.)	10.00	10.00
Weighted average number of equity shares outstanding	100,000,000	100,000,000
Profit / (loss) for the year (Rs.)	221,362	6,233,498
Earnings per share (basic and diluted) (Rs.)	0.00	0.06

Note 30:- PAYMENT TO AUDITORS

INR in Lakh

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Statutory Audit Fees	1.35	1.35
Out of Pocket Expenses	-	0.04
Total	1.35	1.39

Note 31:- SEGMENT REPORTING

As the business operation have not been started, there are no separate reportable segments in accordance with the requirements of Ind AS 108 operating segments.

Note 32:- In the opinion of the management the current assets, loans and advances (including capital advances) have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

Note 33:- The Company is yet to receive balance confirmation in respect of certain sundry creditors and advances. The management does not expect any material difference affecting the current years financial statement due to the same.

NOTE 34:- The Company had received a sanction for the project funding of Rs 52,300 Lakh from the consortium of three banks/financial institutions viz PTC Financials, EXIM Bank and United Bank of India (UBI). The UBI has withdrawn its sanction due to the bank's classifications under Prompt Corrective Action (PCA) resulting into company facing difficulties in achieving financial closure. The company is in process of evaluating the options for achieving the financial closure.

Note 35:- The additional information pursuant to Schedule III of Companies Act, 2013 is either NIL or Non Applicable.

NOTE 36:- Previous year's figures have been reclassified/ regrouped, wherever necessary, to confirm with the current year's

NOTE 37:- The financial statements are approved for issue by the Audit Committee at its meetings held on 27th May, 2020 and by the Board of Directors on 27th May, 2020.

For and on behalf of the Board of Directors

Amit Chaudhri
Managing Director
DIN : 03512552

Dinesh Kumar
Director
DIN : 07065851

Pankaj Jhanwar
Chief Financial Officer

Miraj Shah
Company Secretary
M. No. 41912

Dated : 27th May 2020

Place : Mumbai

JAIGARH DIGNI RAIL LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

COMPANY OVERVIEW

Jaigarh Digni Rail Limited is a public limited company, domiciled in India and incorporated in under the provision of Companies Act applicable in India.

The Company has principal objective of development, establishment, financing, construction, operation, maintenance and management of Jaigarh – Digni Rail System.

1. SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

1.1 Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Significant Accounting Policies

1. Property, Plant and Equipment

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and accumulated impairment losses. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as prescribed under Part C of schedule II of the Companies Act, 2013 except for the assets mentioned below for which useful life estimated by the management. The Identified components of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. Freehold land is not depreciated and Leasehold land is amortized over the period of lease. The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

JAIGARH DIGNI RAIL LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

2. Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful lives of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

3. Cash and Cash Equivalents

Cash and short-term deposits in the Balance Sheet comprise cash at banks, cheque on hand, short-term deposits with a maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value.

4. Statement of Cash Flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

5. Leases

The company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate.

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.

Company as a lessee

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

JAIGARH DIGNI RAIL LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

6. Fair Value Measurement

The Company measures financial instruments at fair value in accordance with accounting policies at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of asset or a liability is measured using the assumptions that market participants would use in pricing the asset or liability, assuming that market participant act in their economic best interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

JAIGARH DIGNI RAIL LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

7. Financial Instruments

For assets and liabilities that are recognized in the Balance Sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

a) Investments and other financial assets:

Classification

The Company classifies its financial assets in the following measurement categories:

- i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- ii) those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

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.

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Sub-sequent measurement

After initial recognition, financial assets are measured at:

- i) fair value (either through other comprehensive income or through profit or loss) or,
- ii) amortized cost

Debt instruments

Subsequent measurement of debt instruments depends on the business model of the Company 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:

Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any, the amortization of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

JAIGARH DIGNI RAIL LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

Measured at fair value through other comprehensive income (FVTOCI) : Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss.

Gains or Losses on De-recognition

In case of investment in equity instruments classified as the FVTOCI, the gains or losses on de-recognition are reclassified to retained earnings.

In case of Investments in debt instruments classified as the FVTOCI, the gains or losses on de-recognition are reclassified to statement of Profit and Loss.

Measured at fair value through profit or loss (FVTPL) : A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Gains or Losses on De-recognition

In case of investment in equity instruments classified as the FVTOCI, the gains or losses on de-recognition are reclassified to retained earnings.

In case of Investments in debt instruments classified as the FVTOCI, the gains or losses on de-recognition are reclassified to statement of Profit and Loss.

De-recognition

A financial asset is de-recognised only when

- i) The Company has transferred the rights to receive cash flows from the financial asset or
- ii) 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 de-recognised.

Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

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.

Impairment

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. The Company

JAIGARH DIGNI RAIL LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

Income recognition

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter year, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the 'Other income' line item.

Equity Instruments

The Company subsequently measures all investments in equity instruments at fair value. The Management of the Company has elected to present fair value gains and losses on its investment equity instruments in other comprehensive income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

JAIGARH DIGNI RAIL LIMITED

Notes to the Financial Statements for the year ended 31st March, 2020

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

b) Financial liabilities & Equity Instruments

Financial liabilities

Classification as debt or equity Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

Subsequent measurement Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting financial instruments

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain

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		or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

8. Provisions, Contingent liabilities, Contingent assets and Commitments

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events, when the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

9. Earnings per Equity Share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

10. Taxes

Tax expense comprises current and deferred income tax. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax [including Minimum Alternate Tax (MAT)] is measured at the amount expected to be paid to the tax authorities in accordance with the

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Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date.

Current income tax relating to items recognize outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underline transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and established provisions where appropriate.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred tax relating to items recognized outside the statement of profit and loss are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred income taxes are not provided on the undistributed earnings of Company where it is expected that the earnings of the Company will not be distributed in the foreseeable future. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to share premium.

11. Foreign Currency Translation

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency. Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Foreign currency borrowing is a long-term foreign currency monetary item which is re-measured at each period end date at the exchange rate.

12. Current and Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

13. Employee Benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The

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Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-Employment Benefits

Payments to defined contribution schemes are recognized as an expense when employees have rendered the service entitling them to the contribution. The cost of providing benefits under the defined benefit scheme is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The parent Company and its Indian subsidiaries operate defined contribution plans pertaining to Employee State Insurance Scheme for all applicable employees.

Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profit in the Statement of Profit and Loss.

Provident fund

Eligible employees of Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Stock based compensation

The compensation cost of the stock options granted to employees is calculated using the Fair value of the stock options. The compensation expense is amortized uniformly over the vesting period of the option.

14. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of the when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from port operations services/ multi-modal service including cargo handling and storage are recognized on proportionate completion method basis based on services completed till reporting date. Revenue on take-or-pay charges are recognized for the quantity that is difference between annual agreed tonnage and actual quantity of cargo handled.

Income from fixed price contract – Revenue from infrastructure development project/ services under fixed price contract.

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Where there is no uncertainty as to measurement or collectability of consideration is recognized based on milestones reached under the contract.

15. Other Income

Other income is comprised primarily of interest income, mutual fund income, exchange gain/ loss. All debts instrument measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate exactly discounts the estimated cash payments or receipt over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of financial liability. When calculating the EIR, the Company estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Mutual fund is recognized at fair value through Profit and Loss.

16. Inventory

Consumables, construction materials and stores and spares are valued at lower of cost and net realizable value. Obsolete, defective, unserviceable and slow/ non-moving stocks are duly provided for. Cost is determined by the weighted average cost method.

17. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets. Borrowing costs are capitalized as part of the cost of such asset up to the date when the asset is ready for its intended use. All other borrowing costs are expensed as incurred. Borrowing costs consist of interest and other cost that an entity incurs in connection with the borrowing of funds. Borrowing cost includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

18. Government Grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the Consolidated Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated Statement of profit and loss over the expected useful lives of the assets concerned.

The benefit of a government loan at a below-market rate of interest and effect of this favourable interest is treated as a government grant. The Loan or assistance is initially recognised at fair value and the government grant is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and recognised to the income statement immediately on fulfilment of the performance obligations. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

19. Segment Reporting

The Company is primarily engaged in one business segment, namely developing, operating and maintaining the Ports services, Ports related Infrastructure development activities and development of infrastructure as determined by chief operational decision maker, in accordance with Ind-AS 108 "Operating Segment".

Considering the inter relationship of various activities of the business, the chief operational decision maker monitors the operating results of its business segment on overall basis. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

20. Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

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Notes to the Financial Statements for the year ended 31st March, 2020

1.3 Recent Accounting Pronouncements

Ministry of corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

1.4 Key accounting estimates and Judgments

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful lives and the expected residual value at the end of its lives. The useful lives and residual values of Company's assets are determined by Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Taxes

The Company has tax jurisdiction at India, significant judgements are involved in determining the provision for income taxes.

Defined benefit plans

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.