

**17<sup>TH</sup>**  
**ANNUAL REPORT**  
**2022-23**



**BHARUCH DAHEJ**  
**RAILWAY COMPANY LIMITED**



## BHARUCH DAHEJ RAILWAY COMPANY LIMITED

### Board of Directors:

1. Shri Chhatrasal Singh, Nominee Director & Chairman (Nominee of Ministry of Railway)
2. Smt. Jaya Varma Sinha, Nominee Director & Chairman (Nominee of Ministry of Railway) (upto 14.03.2023)
3. Smt. Seema Kumar, Nominee Director Chairman (Nominee of Ministry of Railway) (upto 17.08.2023)
4. Shri. Sanjay Dungrakoti, Coordinating Director (Nominee of Rail Vikas Nigam Limited)
5. Shri. Bansh Narain Singh, Nominee Director (Nominee of Rail Vikas Nigam Limited)
6. Shri Chandan Kumar Verma (Nominee Director of Rail Vikas Nigam Limited)
7. Shri. Kalpesh Vithlani, Director (Nominee of Gujarat Maritime Board)
8. Shri. Sajal Mittra, Director (Nominee of Adani Petronet (Dahej) Port Pvt. Ltd.)
9. Shri Dinesh Kumar, Nominee Director (Nominee of Rail Vikas Nigam Limited) (upto 29.08.2023)
10. Dr. Meenu Dang, Director (Nominee of Rail Vikas Nigam Limited) (upto 17.11.2022)
11. Shri. Pradip Kumar Singh, Director (Nominee of Rail Vikas Nigam Limited) (upto 29.11.2022)
12. Shri. M. Thennarasan, Nominee Director (Nominee of Gujarat Industrial Development Corporation) (upto 02.12.2022)

### Chief Financial Officer

Shri Balkishan Sharma

### Company Secretary

Smt. Kanika Mathur

### Registered Office:

39-42, 3<sup>rd</sup> Floor, Indra Palace  
H – Block, Middle Circle  
Connaught Place  
New Delhi-110001

### Corporate Office:

301/302, Rubellite Building  
32, Ajit Nagar Society,  
Nr. Urmi Char Raasta, Akota  
Vadodara – 390020

### Statutory Auditors:

M/s RSM & Associates  
Chartered Accountant  
B-104, 4th Floor,  
Sector-8, Dwarka  
New Delhi - 110077

### Secretarial Auditors

A. Anand & Co.  
(Company Secretary in Practice)  
59/2, 2nd Floor, Kashmiri Lal Dhingra Marg  
Kalkaji, New Delhi-110019

### Bankers:

Canara Bank  
Mid Corporate Branch  
B-39, Connaught Place,  
New Delhi-110001



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## NOTICE

Notice is hereby given that the **Seventeenth Annual General Meeting** of Members of **Bharuch Dahej Railway Company Limited** will be held on Friday, 29 September, 2023 at 12.30 Hrs at Conference Room, Rail Vikas Nigam Limited at 1<sup>st</sup> Floor, August Kranti Bhawan, Bhikaji Cama Place, New Delhi 110066 and/or through Video Conferencing (VC) to transact the following business:

### A. ORDINARY BUSINESS:

#### I. Adoption of Audited Accounts

1. To consider and adopt the Audited Balance Sheet as on 31.03.2023, Profit and loss Account & Cash Flow Statement for the year ended on that date, and the reports of the Board of Directors and Auditors' (both Statutory and Secretarial) thereon and the comments of the Comptroller and Auditor General of India thereon.

In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

***"RESOLVED THAT the audited financial statement of the Company for the financial year ended 31.03.2023 and the reports of the Board of Directors and Auditors (both Statutory and Secretarial) thereon and the comments of the Comptroller and Auditor General of India thereon as circulated to the members, be and are hereby considered and adopted."***

#### II. Confirmation of payment of Interim Dividend of Rs. 0.20/- per equity share of Rs. 10/- each

2. To confirm the payment of Interim Dividend of Rs. 0.20/- per equity share of Rs. 10/- each

In this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

***"RESOLVED THAT the interim dividend @ Rs. 0.20 per share of Rs. 10/- each amounting to Rs. 3,10,22,000/- declared by the Board of Directors at their meeting held on 31.03.2023 and paid, be and is hereby noted and confirmed."***

#### III. Reappointment of Retiring Directors

3. To appoint a Director in the place of Shri Bansh Narain Singh (DIN 09799863), who retires by rotation and being eligible, offers herself for reappointment.

In this regard, to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution:

***"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Bansh Narain Singh (DIN 09799863), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."***

4. To appoint a Director in the place of Shri Chandan Kumar Verma (DIN 10298031), who retires by rotation and being eligible, offers herself for reappointment.

In this regard, to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution:

***"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Chandan Kumar Verma (DIN 10298031), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."***



#### **IV. Remuneration of Statutory Auditors**

5. Remuneration of Statutory Auditors for the year 2023-24

As the Company comes under the purview of section 139(5) of the Companies Act, 2013, the appointment of auditors is made by Comptroller & Auditor General of India. Accordingly, CAG will appoint Statutory Auditors for the financial year 2023-24.

Section 142 of the Companies Act, 2013 provides that the remuneration of the auditor of the Company shall be fixed by the Company in general meeting or in such manner as the Company in general meeting may determine.

To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

***“RESOLVED THAT the appointment of Statutory Auditors, made by Comptroller & Auditor General of India under Section 139 of the Companies Act, 2013 for the financial year 2023-24, as placed in the meeting, be and is hereby noted and the Board of Directors of the Company be and are hereby authorized to fix the remuneration payable to them as per Section 142 of the Companies Act, 2013.”***

**For Bharuch Dahej Railway Company Limited**

Sd/-

**Place: New Delhi**

**Date: 06.09.2023**

**Kanika Mathur  
Company Secretary**

#### **NOTES:**

1. Ministry of Corporate Affairs vide General Circular No 10/2022 dated 28.12.2022 permitted the companies for holding Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) subject to the fulfillment of requirements as per the law. In compliance with the same and applicable provisions of Companies Act, 2013, the 17<sup>th</sup> AGM of the Company is being convened and conducted through VC also.
2. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
3. As per the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since the 17<sup>th</sup> AGM is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 17<sup>th</sup> AGM and hence the Proxy Form along with Attendance Slip and route map of AGM are not annexed to this Notice.
4. Corporate Members intending to send their authorized representatives to attend the 17<sup>th</sup> AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM at email id cosec@bdrail.in.
5. The Notice of 17th AGM and Annual Report 2022-23 will be available on the Company's website viz. [www.bdrail.in](http://www.bdrail.in).
6. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during the 17<sup>th</sup> AGM. Members seeking to inspect such documents can send an email to cosec@bdrail.in.

7. The members are requested to follow the following instructions in order to participate in the Meeting through VC mechanism:
- a) The meeting will called through 'Microsoft Teams'.
  - b) The link to attend the meeting will be shared through email separately.
  - c) The members may attend the same by clicking on the link and joining through browser or by downloading the app available in the play store.
  - d) The facility for joining the Meeting shall be kept open 15 minutes before the time scheduled to start the meeting and 15 minutes after the expiry of the said scheduled time.
  - e) Queries on the accounts and operations of the Company or the businesses covered under the Notice may be sent to cosec@bdrail.in at least seven days in advance of the meeting so that the answers may be made readily available at the meeting.
  - f) Members are requested to e-mail at cosec@bdrail.in or call at 011- 43586814/15/16/17 in case of any technical assistance required at the time of joining/ accessing/ voting at the Meeting through VC;

**For Bharuch Dahej Railway Company Limited**

Sd/-

**Kanika Mathur**  
**Company Secretary**

**Place: New Delhi**  
**Date: 06.09.2023**



**B. SPECIAL BUSINESS:**

6. Approval of appointment of Managing Director and remuneration, perks and benefits payable

To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions under Section 196, 197, 198, Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) including any statutory amendments, modifications or re-enactment thereof and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and subject to such other requisite approvals, as may be required in this regard, the consent of the Shareholders be and is hereby accorded to the appointment of Shri Manoj Krishna Akhouri (DIN 02293829) as Managing Director of the Company w.e.f. from the date of his joining for a period of three years extendable by two years subject to a maximum age of 65 years, on the following terms and conditions as brought out as below:

1. **Basic Pay:** Rs. 1,80,000/- (in the band of Rs. 180000 – 340000 with annual increment of 3% (Three percent)

2. **Perks & Benefits:**

Sr. No.	Particulars	Details											
1.	Dearness Allowance	As per IDA notified from time to time for 2017 pay scales											
2.	Cafeteria Allowance	35% of Basic (as prescribed)											
3.	HRA	Cities/towns have been classified as X, Y and Z based on Government of India's instructions. <b>The rate of HRA is as under:</b> <table><tr><th>Designation</th><th colspan="3">Classification of Cities</th></tr><tr><td rowspan="2">Uniformly for employees in all grades</td><td>X</td><td>Y</td><td>Z</td></tr><tr><td>27% of basic pay</td><td>18% of basic pay</td><td>9% of basic pay</td></tr></table>	Designation	Classification of Cities			Uniformly for employees in all grades	X	Y	Z	27% of basic pay	18% of basic pay	9% of basic pay
Designation	Classification of Cities												
Uniformly for employees in all grades	X	Y	Z										
	27% of basic pay	18% of basic pay	9% of basic pay										
4.	Leased Accommodation – Self Lease	In lieu of HRA, the facility of Lease may be availed as per the following ceiling: <table><tr><th>Classification of cities</th><th>Limit of Lease rental</th></tr><tr><td><b>For X City</b></td><td>30% of the Basic rounded to Rs. 100/-</td></tr><tr><td><b>For Y City</b></td><td>21% of the Basic rounded to Rs. 100/-</td></tr><tr><td><b>For Z City</b></td><td>12% of the Basic rounded to Rs. 100/-</td></tr></table> HRR recovery @ 1% of the basic pay.	Classification of cities	Limit of Lease rental	<b>For X City</b>	30% of the Basic rounded to Rs. 100/-	<b>For Y City</b>	21% of the Basic rounded to Rs. 100/-	<b>For Z City</b>	12% of the Basic rounded to Rs. 100/-			
Classification of cities	Limit of Lease rental												
<b>For X City</b>	30% of the Basic rounded to Rs. 100/-												
<b>For Y City</b>	21% of the Basic rounded to Rs. 100/-												
<b>For Z City</b>	12% of the Basic rounded to Rs. 100/-												
5.	Provision of official vehicle & driver	Provided by the Company											
6.	Hard & Soft furnishing	Entitlement of Rs. 5 Lakhs for two times in whole tenure with a minimum gap of 5 years between the two purchases											
7.	Contribution of Provident Fund, Gratuity	As per Extant guidelines applicable											
8.	Provision of TADK in person	Provision of TADK in person or reimbursement of expenses on TADK Rs. 20,000/-											

9.	Daily Allowance	The rate of daily allowance shall be Rs. 2300/- Daily Allowance may be drawn for broken periods of a "Day" on the following scales: For absence less than 6 hours - 30% For absence of 6 hours and more but less than 12 hours - 70% For absence of 12 hours and above - 100%		
10.	Lodging/ Accommodation	Following maximum lodging allowance shall be admissible subject to actual on official tours:		
		For X class cities	For Y class cities	For Z class cities
		Upto a Deluxe Suite in Hotel Ashoka, New Delhi	90% of amount for X class cities	80 % of amount for X class cities.
11.	Travelling on Tour	While travelling on official duty by Air – Executive class, by Rail 1 <sup>st</sup> AC and by Road – AC car		
12.	LTC	Once in a block of two calendar years for visiting home town and once in a block of four calendar years for visiting any other place in India in lieu of a visit to home town and reimbursement of travel expenses from the headquarters to home town/any other place in India and back limited to total fare of Air fare or AC First class by train		
13.	Medical	Room Rent: Suite - Upto Rs. 12000/- Outdoor treatment – 7% as included in Cafeteria Allowance (35%) Health Check up – As per Company's policy		
14.	Guest Entertainment expenditure	As per Company's policy		
16.	Laptop	As per Company's policy		
17.	Tablet	As per Company's policy		
18.	Mobile handset	As per Company's policy		
19.	Brief Case	Rs. 12000/-		
20.	Birthday Gift	Rs. 5000/-		
21.	One Inverter	Rs. 17000/-		
22.	One AC with Stabilizer	Rs. 25000/-		
23.	Leave in a Calendar year	As per Company's policy		





**Deductions:**

1. Rs. 2000/- per month for use of official vehicle
2. 2.5% deduction for furnishing of house
3. 1% deduction of lease accommodation provided.
4. Monthly gross pension to be deducted from the gross salary as per the terms of vacancy notice, as applicable.

**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits of the company during the tenure of Shri Manoj Krishna Akhouri, Managing Director, the above mentioned remuneration will be regarded as minimum remuneration in accordance with Section 197 and other applicable provisions of the Companies Act, 2013 and that the company be and is hereby authorized to take such approvals as may be required, for payment of such remuneration in case of such eventuality.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the ‘Board’) which term shall be deemed to include any committee which the Board constitute to execute its powers, including powers conferred by this resolution be and is hereby authorized to further vary and / increase the remuneration including salary, perquisites, allowances etc. within such prescribed ceiling limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto and/or any guidelines prescribed by the Government from time to time be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting.”

**“RESOLVED FURTHER THAT** Shri Manoj Krishna Akhouri shall continue to hold the office of Director, without being subjected to retire by rotation, so far as he continues to be the Managing Director of the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The Selection Committee for the selection for the post of Managing Director of the Company was nominated by the Board of Directors of the Company. The said Committee had a personal meeting (Interview) with the shortlisted candidates on 01.09.2023 and unanimously recommended the name of Shri Manoj Krishna Akhouri for the post of Managing Director of the Company. The Board of Directors of the Company in their 85<sup>th</sup> meeting held on 13.09.2023 accepted the recommendation of the Selection Committee and approved the selection of Shri Manoj Krishna Akhouri as the Managing Director of the Company for an initial tenure of three years extendable by two years subject to the maximum age limit of 65 years. Thereafter the Board in its meeting held on 29.09.2023, prior to this AGM, decided and approved the terms of appointment in line with the Vacancy notice dated 30.05.2023. Further, the members may note that the Board has accepted the request of Shri Akhouri to take charge of the position latest by first week of December 2023.

Shri Manoj Krishna Akhouri, IRTS, is a post graduate with M.Sc (Tech) from IIT (ISM) with Bachelor’s Degree of B.Sc (Hons). He is Principal Chief Operational Manager, Northern Railway. The Board of Directors hope that the Company will be greatly benefited by his services for the Company’s day to day operation and smooth running of the business. His experience and expertise in the field of business of the Company will benefit in smooth running of the business and managing all affairs of the Company.

In terms of the Vacancy notice, the emoluments for the post of Managing Director is as per below:

(A) upto the age of 60 years, equivalent to director of schedule “A” company

with perquisites & benefits (B) beyond 60 years, equivalent to director of schedule "A"

company with perquisites & benefits minus pension, if any.

Accordingly, the Board of Directors of the Company in its 86<sup>th</sup> meeting held on 29.09.2023 approved the remuneration, perks and incentives payable to Shri Manoj Krishna Akhouri, Managing Director, as given in the resolution.

In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Act, read with Schedule V to the said Act, the appointment and the terms of remuneration payable to Shri Manoj Krishna Akhouri requires the approval of members by passing Ordinary Resolution. Hence, the members are requested to pass the Resolution accordingly. The Board recommends the Resolution at item No. 6 for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said resolution except Shri Manoj Krishna Akhouri.

**For Bharuch Dahej Railway Company Limited**

Sd/-

**Kanika Mathur**  
**Company Secretary**

**Place: New Delhi**

**Date: 29.09.2023**



## DIRECTORS' REPORT

### DISTINGUISHED SHAREHOLDERS,

Directors of your Company feel privileged to present the Seventeenth Annual Report of the Company containing salient features of operations and business of your Company, along with the Audited Annual Accounts and the Auditor's report for the year ended 31<sup>st</sup> March, 2023.

### FINANCIAL REVIEW & STATE OF AFFAIRS

During the year under review, the Financial Statement of the Company for the financial year 2022-23 have been prepared in terms of Sections 129, 133 and Schedule III to the Companies Act, 2013 (as amended) read with the Indian Accounting Standards (IND AS) as notified by the Ministry of Corporate Affairs alongwith the comparative financial statement of F.Y. 2021-22.

Highlights of Financials of the Company as on 31.03.2023 are as under:

*Amount (in Rs. crore)*

Particulars	For year ended 31.03.2023	For year ended 31.03.2022
Revenue from Operation	123.12	51.19
Other Income	01.28	02.82
<b>Total Revenue [A]</b>	<b>124.44</b>	<b>54.01</b>
O&M Cost	44.46	27.38
Finance Cost	05.25	07.55
Depreciation	13.53	13.53
Other expenses	08.60	02.57
<b>Total Expenses [B]</b>	<b>71.84</b>	<b>51.03</b>
Profit before Exceptional item [A-B]	52.55	02.98
Exceptional Item	0.00	22.39
<b>Profit Before Tax</b>	<b>52.55</b>	<b>25.37</b>
Taxes including Current Tax and Deferred Tax	(13.28)	3.69
<b>Profit After Taxes</b>	<b>39.27</b>	<b>29.06</b>

### COMPANY'S OPERATIONS

You are aware that Bharuch Dahej Railway line became commercially operational from March 2012. Year wise summary of volume of Traffic handled for last three years is as under:

Sr. No.	Financial Year	No. of Rakes	No. of Wagons	Loading in million tonnes
1	2020-21	708	32128	1.66
2	2021-22	849	41310	2.33
3	2022-23	1594	87715	5.62

The traffic has increased this year also due to diversification and other external factors. Different commodities such as Fertilizer, Salt, Container traffic and Caustic Soda etc. are being handled on BDRCL Dahej Terminal. The Company has also provided connection to a Multi Model Logistics Park of CONCOR in Dahej. It may be expected to add volume to the Container traffic on the section soon.

Your Company has made efforts, with some success, to attract alternative streams of traffic. Company is under discussions with various industries and some positive predictions for increase of traffic in near future are perceived.

**OPERATIONS AND MAINTENANCE**

The maintenance activities relating to track maintenance, maintenance of signaling and telecom equipments and maintenance of level crossing gates have been handed over to BDRCL. In view of safety norms of Western Railway, your Company has deployed ex-servicemen on the level crossing gates as being deployed by WR on the LC gates maintained by WR. The O&M Agreement signed between BDRCL and Western Railway Divisional level and is pending for finalization with Western Railway headquarter.

**CREDIT RATING**

Based on the positive attributes contributing towards improvement in financial as well as operating effectiveness like diversification of traffic, improvement in margins due to takeover of maintenance etc., the rating agency has observed and positively revised the outlook from BBB+ to A-.

**RESERVES AND DIVIDEND**

The Profit after Tax for the year 2022-23 is Rs. 39.26 crore. During the financial year under review, the Board has not proposed to transfer any amount to Reserves.

During the year under review, an Interim Dividend of Rs. 0.20/- per equity share of Rs. 10/- was declared in the meeting of the Board of Directors held on 31.03.2023. The total paid dividend amounted to Rs. 3,10,22,000/-. The said dividend was paid to the shareholders appearing in the register of Members as on the record date within the prescribed timeline as per the provisions of the Companies Act 2013. Further, there is no unpaid/unclaimed dividend in respect to this Interim Dividend. Accordingly, there were no transfer during the year to the Investor Education and Protection Fund.

In view of the provisions under the Income-tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company has, accordingly, made the payment of the Dividend after deduction of tax at source at the rates prescribed.

**CAPITAL STRUCTURE**

The Company's Authorized Share Capital is Rs. 165,00,00,000/- (Rupees One Hundred Sixty Five Crore only) divided into 16,50,00,000/- (Sixteen Crore Fifty Lakh) and paid up capital Rs. 155,11,00,000/- (Rupees One Hundred Fifty Five Crore only) divided into 15,51,10,000/- (Fifteen Crore Fifty One Lakh Ten Thousand) equity shares of Rs. 10/- each respectively. The Company has not issued any further Equity Shares during the year.

**REPAYMENT OF TERM LOAN**

In the year 2021, Canara Bank permitted Resolution Plan under RBI Framework wherein a moratorium period of two years for repayment of principal was allowed to the Company i.e from 01.04.2021 to 31.03.2023, further extending the repayment period till year 2026. However, the Company was able to improve its financial conditions and even after the benefit of moratorium period of two years, the Company has paid Rs. 48.30 crore during FY 2022-23. As on 31.03.2023, the Company has a liability of Rs.15.67 crore towards principal repayment.

**BOARD OF DIRECTORS**

Your Company's Board of Director has seven members, including a Chairman (nominated by the Ministry of Railways), three nominees of Rail Vikas Nigam Limited, two nominees of Government of Gujarat and one nominee of Adani Port.

The composition of the Board of Directors as on the date of report is as under:

Sr. No.	Name	Designation	Date of Appointment
1.	Shri Chhatrasal Singh	Additional Member (Traffic) / Railway Board Chairman & Nominee Director	17.08.2023



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CIN: U45203DL2006PLC155511

2.	Shri. Sanjay Dungrakoti	PED/S&T, Rail Vikas Nigam Limited Nominee Director	26.09.2018
3.	Shri Bansh Narain Singh	ED/Central, Rail Vikas Nigam Limited Nominee Director	29.11.2022
4.	Shri. Chandan Kumar Verma	GM/Finance, Rail Vikas Nigam Limited Nominee Director	29.08.2023
5.	Shri. Kalpesh Vithlani	GM (Project), Gujarat Maritime Board Nominee Director	15.05.2020
6.	Shri. Sajal Mittra	Head/Railways, Adani Petronet (Dahej) Port Pvt Ltd, Nominee Director	26.11.2015

Following are the details of the directors who ceased from their position:

Sr. No.	Name	Designation	Date of Cessation
1.	Smt. Jaya Varma Sinha	Ex Additional Member (Traffic) / Railway Board Chairman & Nominee Director	14.03.2023
2.	Smt. Seema Kumar	Ex Additional Member (Traffic) / Railway Board Chairman & Nominee Director	17.08.2023
3.	Dr. Meenu Dang	ED/Finance, Rail Vikas Nigam Limited Nominee Director	17.11.2022
4.	Shri Dinesh Kumar	ED/Finance, Rail Vikas Nigam Limited Nominee Director	29.08.2023
5.	Shri. Pradip Kumar Singh	GGM/Projects/South, Rail Vikas Nigam Limited, Nominee Director	29.11.2022
6.	Shri. M. Thennarasan	VC & MD, Gujarat Industrial Development Corporation, Nominee Director	02.12.2022

At present the Board of Directors of the Company consists of six Directors, out of which, two Directors namely Shri Bansh Narain Singh and Shri Chandan Kumar Verma will retire by rotation in 17<sup>th</sup> Annual General Meeting and being eligible offer themselves for re-appointment.

During the year, the Board of Directors held 6 meetings on

19.05.2022	02.12.2022
01.09.2022	14.03.2023
28.09.2022	31.03.2023

### CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee comprises of the following members:

1. Shri. Sanjay Dungrakoti, Nominee of Rail Vikas Nigam Limited
2. Shri Chandan Kumar Verma, Nominee of Rail Vikas Nigam Limited (since 29.08.2023)
3. Dr. Meenu Dang, Nominee of Rail Vikas Nigam Limited (upto 17.11.2022)
4. Shri Dinesh Kumar, Nominee of Rail Vikas Nigam Limited (upto 29.08.2023)
5. Shri. Sajal Mittra, Nominee of Adani Petronet (Dahej) Port Private Limited

The committee of Corporate Social Responsibility met once during the year on 19.05.2022.

The Corporate Social Responsibility policy has been placed on company's website, [www.bdrail.in](http://www.bdrail.in).

The CSR Statement as per Section 134(o) is enclosed as **Annexure A**.

## **KEY MANAGERIAL PERSONNEL**

In terms of Section 203 of the Act, the Key Managerial Personnel (KMPs) of the Company during FY 2022-23 are as below:

1. Shri. Balkishan Sharma, Chief Financial Officer, w.e.f. 05.09.2014.
2. Smt. Kanika Mathur, Company Secretary, w.e.f 01.09.2019.

## **AUDIT AND AUDITORS**

### **STATUTORY AUDITORS AND REPORT**

In terms of the provisions of Section 139 of the Act read with provisions of the Companies (Audit and Auditors) Rules, 2014 (as amended), M/s RSM & Associates, (Firm Registration No. 002813S) was appointed by Comptroller and Auditor General of India as the Auditors of the Company for the financial year 2022-23.

Auditor's Report is part of the Annual report for the perusal of the stakeholders. Comments of the Management on the qualifications/comments made by the Auditor in their Report are enclosed as **Annexure B** to this Report.

### **SECRETARIAL AUDITOR AND REPORT**

In terms of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), your Company has appointed A. Anand & Co, Company Secretary in Practice (Membership No. F12153) as the Secretarial Auditor of the Company, to conduct the Secretarial Audit for the financial year ended 31.03.2023.

Secretarial Audit Report as presented by Secretarial Auditor is part of the Annual report for the perusal of the stakeholders and Comments of the Management on the qualifications/comments made by the Secretarial Auditor in their Report as **Annexure C**.

## **INTERNAL AUDITOR**

M/s Sunil K Gupta & Associates, Chartered Accountants have been appointed as Internal Auditors of the Company. Internal Auditors have been discharging their role of carrying out various assigned functions, including checking adequacy of internal control systems in the organization. They have also been presenting their Internal Audit Report in meeting of the Board of Directors, and participating in the ensuing discussion.

## **REPORTING OF FRAUDS BY AUDITORS**

During the year under review, neither the statutory auditor nor the secretarial auditor has reported, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT**

There were no material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of the report.

## **ADEQUACY OF INTERNAL FINANCIAL CONTROL AND ADEQUACY WITH REFERENCE TO FINANCIAL STATEMENT**

The Internal Financial Control (IFC) means the policies and procedures adopted by the company 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.

The Company has a well-placed, proper and adequate IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's IFC system also comprises due compliances with Company's policies and Standard Operating Procedures (SOP's) and audit and compliance supplemented by internal auditor and Independent Consultants. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions



in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Auditors to the management and the Board. A four stage mechanism has been put in place in this regard. Apart from the Finance department of the Company holding direct responsibility in the matter, a Chartered Accountant Firm engaged on retainership examines the adequacy of system, the Internal Auditors of the Company also examine the systems in place for their adequacy. Finally, the Statutory Auditor of the Company also includes comments on this aspect as part of their Report. Such controls have been constantly tested and no reportable material weakness in the design or operation was observed.

The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate.

#### **DISCLOSURE OF PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

Information under section 134 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31.03.2023 is given below:

**i) Conservation of Energy and Technology Absorption**

The Company is conscious of the need to keep all the cost elements at the barest minimum level including the energy cost. It is also aware of the responsibility to conserve energy in an overall energy deficit scenario in the Country. The Company has made significant investment upfront to construct a Railway line which runs on electric traction, and is significantly more economical and environment friendly than the alternative diesel traction.

**ii) Foreign Exchange Earnings and Outgo**

The Company has neither earned nor expended any foreign exchange during the financial year 2022-23.

#### **ANNUAL RETURN**

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the Company's website: [www.bdrail.in](http://www.bdrail.in).

#### **REPORTING ON CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has zero tolerance for sexual harassment at workplace.

Further the following is a summary of sexual harassment complaints received and disposed off during the financial year 2022-23.

Number of Complaints received:	NIL
Number of Complaints disposed off:	NIL
Closing balance of the complaints:	NIL

#### **PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS U/S 186**

During the year, the Company has neither given loans, nor given any guarantee or security to any person or Body Corporate, nor made any investment pursuant to Section 186 of the Companies Act, 2013.

#### **SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

During the year, there were no such companies which have become or ceased to be Subsidiaries, joint ventures or associate companies of your Company.

#### **DETAILS OF DEPOSIT**

During the year, the Company has neither invited nor accepted any deposits covering under Chapter V - Acceptance of Deposits by Companies' under the Companies Act, 2013 during the financial year ended 31.03.2023.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES U/S 188**

During the year 2022-23, the Company did not enter into any transactions with the related parties which are not in the ordinary course of business or not at arm's length price or material in nature, under Section 188 of the Companies Act, 2013.

#### **STATEMENT ON RISK MANAGEMENT**

The management of your Company is constantly engaged in the process of identifying risks, assessing risks and developing strategies to manage risks. While a risk management plan and a business impact analysis are important parts of a business, early stages of a business should combine optimal utilization of opportunities with effective risk management. Your Company is in the business of rail transportation. Cost advantages and environmental superiority associated with rail transport make the business of your Company a promising proposition.

Your Directors are aware that a business of this size and nature must be subjected to constant review of various risks, and appropriate risk-mitigation measures must be taken from time to time. The major risks perceived for the Company include:

- \* Issues of control by Indian Railways – cost issues;
- \* Capacity constraints, and roadblocks in capacity enhancement;
- \* Constraints in financing the capacity augmentation activities;
- \* Need for diversifying customer base; and
- \* Possible damage/loss through acts of God.

In the assessment of the management, duly endorsed by your Directors, the risks identified are low to moderate. Your Company plans to approach capacity enhancement through diverse interventions in a need based manner, consistent with the trend of offering traffic. Financing the capacity enhancement will need to follow a mix of internal generation and debt. The Company is already gearing up to meet the demand for rail transportation amongst diverse customers. As regards possible impact of acts of God, the Company keeps its assets suitably insured.

In the view of your Directors, BDRCL's approach to risk management is dynamic and proactive, and reviews will be taken from time to time to bring about appropriate interventions.

#### **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

The Company has a Performance Evaluation framework in place, setting parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees. Evaluation of performance has been formulated by the Board of Directors.

The performance evaluation process of the Board of Directors, individual Directors and Committees was conducted in accordance with the provision of the Act.

#### **COST RECORD**

During the year, the maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, was not applicable on the Company.

#### **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no penalties/punishment/compounding of offences for the breach of any sections of the Companies Act, 2013 against the Company or its Directors or other officers in default, during the year.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review, there were no significant material orders passed by the Regulators / Courts and no litigation was outstanding as on 31.03.2023, which would impact the going concern status and future operations of your Company.





Further the details of litigation / cases under Service Tax and those involving labour/land issues are enclosed as **Annexure D**.

**DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016)**

During the year, there were no applications made or proceeding pending under the Insolvency & Bankruptcy Code.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company in pursuance of Section 134(5) of the Companies Act, 2013 hereby confirms that:

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2022-23 and of the profit and loss of the Company for said period.
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors prepared the annual accounts on a going concern basis; and
- v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**APPRECIATIONS & ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation and gratitude to the Ministry of Railways, Rail Vikas Nigam Limited, Government of Gujarat and the shareholders for their continued interest in its business and support to the Company. The Directors would also like to express their deep appreciation and gratitude to the officers of Comptroller and Auditor General, Statutory Auditors, Internal Auditors, Secretarial Auditors, Rating Agencies, Banks and others who have provided their valuable guidance and contribution to the growth and development of the Company in attainment of its aims and goals. Further, the Directors wish to convey their appreciation to all of the Company's employees for their contribution towards the Company's performance. The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, governments and all other business associates for their continuous support to the Company and their confidence in its management. The ownership and responsiveness shown by all the stakeholders is unparalleled and is a testimony of the spirit of this great organization.

**For and on behalf of the Board of Directors of  
BHARUCH DAHEJ RAILWAY COMPANY LIMITED**

**Sd/-**  
**Sanjay Dungekar**  
**Director**  
**DIN: 08028084**

**Sd/-**  
**Chandan Kumar Verma**  
**Director**  
**DIN: 10298031**

**Place: New Delhi**  
**Date: 29.08.2023**

**Annual Report on Corporate Social Responsibility for the financial year 2022-23****1. A brief outline of the Company's CSR policy:-**

The Board of Directors in their meeting held on 26.03.2015 approved CSR policy as recommended by the CSR Committee. The Policy has been prepared in accordance with provisions of the Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The same is available at the Company's website ([www.bdrail.in](http://www.bdrail.in)). The policy contains inter alia the Objectives, framework, focus of areas and key rules and guidelines for incurring CSR expenditure etc. The areas of activities mentioned in the policy are as per Schedule VII of the Companies Act, 2013.

**2. The Composition of the CSR Committee:-**

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri. Sanjay Dungrakoti	Nominee Director	01	01
2	Dr. Meenu Dang (upto 02.12.2022)	Nominee Director	01	01
3	Shri Dinesh Kumar (since 02.12.2022)	Nominee Director	-	-
4	Shri. Sajal Mittra	Nominee Director	01	01

3. Web link for Composition of CSR Committee: <http://www.bdrail.in/companyprofile.html> and for CSR Policy and CSR projects approved by the Board: <http://www.bdrail.in/corporategovernance.html>
4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 - **NA.**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year :-

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
		<b>NA.</b>	

6. Average net profit of the company as per section 135(5):- **Rs. 2.40 crore.**
7. (a) Two percent of average net profit of the company as per section 135(5):- **Rs. 4.80 lakh.**
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial Years: - **NIL**
- (c) Amount required to be set off for the financial year: - **NIL**
- (d) Total CSR obligation for the financial year:- **Rs. 4.80 lakh.**
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.(in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount (in Rs.)	Date of transfer
18,14,308/-	NIL		NIL		



**(b) Details of CSR amount spent against (ongoing projects) for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (in Rs.).	Mode of Implementation -Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number
<b>NIL</b>												

**(c) Details of CSR amount spent against other than (ongoing projects) for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation on-Direct (Yes/No).	Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration number.
1.	Mobile Health Unit	Promoting health care including preventive health care	Yes	Gujarat	Bharuch Dahej	18,14,308/-	No	Deepak Foundation	CSR 00000353

(d) Amount spent in Administrative Overheads: – **Rs. 85,965/-.**

(e) Amount spent on Impact Assessment: - **NA.**

(f) Total amount spent for the Financial Year: – **Rs. 18,14,308/-**

(g) Excess amount for set off:-

Sr. No.	Particular	Amount (in Rs. Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	4.80
(ii)	Total amount spent for the Financial Year	18.14
(iii)	Excess amount spent for the financial year [(ii)-(i)]	13.34
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	13.34

9. (a) Details of Unspent CSR amount for the preceding three financial years:

FY 2019-20	-	Rs. 11.79 lakh
FY 2020-21	-	NIL
FY 2021-22	-	NIL

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years.
				Name of the Fund	Amount (in Rs.)	Date of transfer. (in Rs.)	

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed/-Ongoing.
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:-

(a) Date of creation or acquisition of the capital asset(s).	NA
(b) Amount of CSR spent for creation or acquisition of capital asset.	NIL
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NA
(d) Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset).	NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). - **NA**

For and on behalf of the Board of Directors of  
BHARUCH DAHEJ RAILWAY COMPANY LIMITED

Sd/-  
Sanjay Dungrakoti  
Director  
DIN: 08028084

Sd/-  
Chandan Kumar Verma  
Director  
DIN: 10298031

Place: New Delhi  
Date: 29.08.2023



**Addendum to Directors' Report**

S. No.	Auditors' Qualification	Management Comment
1.	<p>The opening balances and the comparative figures disclosed in the Ind AS financial statements for the year ended March 31, 2023 are based on the audited Ind AS financial statements of the Company for the year ended March 31, 2022 on which Auditors' Report dated September 1, 2022 expressed a qualified opinion. The matters which resulted in the qualification inter alia included the prospective application of Appendix A to Ind AS 11 from the transition date on the first Ind AS financial statements of the Company as at March 31, 2017. The Company had opted to apply this appendix from the transition date prospectively as the Management did not find it practicable to apply this appendix retrospectively. Based on audit procedures and queries made, we were unable to obtain sufficient appropriate audit evidence to ascertain that retrospective application of Appendix A to Ind AS 11 was impracticable as defined in Ind AS 8 to avail the exemption of Ind AS 101. Consequently, we were unable to ascertain the impact, of the above on the Ind AS financial statements of the Company.</p> <p>"In view of the above, any adjustments to the opening balances as at April 1, 2022 that would have been required may have a consequential effect on the Company's assets and liabilities as at April 1, 2022 and March 31, 2023 and its results for the year ended March 31, 2023 and the presentation and disclosure thereof in the Ind AS financial statements.</p>	<p>Para 5 of Ind AS 8 provides that application of an accounting policy can be treated as Impracticable when:</p> <ul style="list-style-type: none"> <li>(a) The effects of the retrospective application or retrospective restatement are not determinable;</li> <li>(b) The retrospective application or retrospective restatement requires assumptions about what management's intent would have been in the period; or</li> <li>(c) the retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that: (i) provides evidence of circumstances that existed on the date(s) as at which those amounts are to be recognised, measured or disclosed; and (ii) would have been available when the financial statements for that prior period were approved for issue from other information.</li> </ul> <p>Considering the impracticability as defined in the para 5 of Ind AS -8 defined above which includes requirement of what could be management's intention at that time, circumstances as on date transactions and other relevant information since the date of signing of concession agreement, the Management decided to apply the appendix from the transition date prospectively. Further, in the year 2014 the fire breakout in the office due to which records/details/information had been destroyed.</p> <p>Furthermore, exemption adopted by company is in line with the exemption available----ie in para D 22 of Ind AS 101. Para D22 of IndAs states as under:</p> <p>A first-time adopter may apply the following provisions while applying the Appendix A to Ind AS 11:</p> <ul style="list-style-type: none"> <li>i) Subject to paragraph (ii), changes in accounting policies are accounted for in accordance with Ind AS 8, i.e. retrospectively, except for the policy adopted for amortization of Intangible Assets arising from Service Concession Arrangement related to toll roads in financial statement for the</li> </ul>

S. No.	Auditors' Qualification	Management Comment
		<p>period ending immediately before the beginning of 1st Ind AS financial reporting period as per previous GAAP.</p> <p>ii) If, for any particular service arrangement, it is impracticable for an operator to apply this Appendix retrospectively at the date of transition, it shall:</p> <p>a) recognise financial assets and intangible assets that existed at the date of transition to Ind AS.</p> <p>b) use the previous carrying amounts of those financial and intangible assets (however previously classified) as their carrying amounts as at that date; and</p> <p>c) test financial and intangible assets recognised at that date for impairment, unless this is not practicable, in which case the amounts shall be tested for impairment as at the start of the current period.</p> <p>iii) There are two aspects to retrospective determination: reclassification and re-measurement. It will usually be practicable to determine retrospectively the appropriate classification of all amounts previously included in an operator's balance sheet, but that retrospective re-measurement of service arrangement assets might not always be practicable. However, the fact should be disclosed.</p> <p>In terms of sub-para D22(iii), as reproduced above, if in the management's view it is found impracticable to give retrospective effect, the fact should be disclosed. In the view of BDRCL's management, retrospective effect is impracticable and this fact has been duly disclosed in Note No. 48.1.3 Service Concession Arrangement in to the financial statement of the Company for FY 2016-17.</p>



S. No.	Auditors' Qualification	Management Comment
2.	<p>Reference is drawn to Note No. 48 of the Ind AS Financial statements on obligation to restore project assets to specified level of serviceability. In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including making replacement, as per laid down standards of MOR, of all project assets whose codal lives expire during the concession period. Accordingly, Company is required to provide for in respect of replacement obligations arising during the remaining concession period as per requirement of Appendix C of the Ind AS 115 for best estimate of expenditure required to settle obligation. However the company has not estimated and provided for the aforesaid obligation in the IND AS Financial statements. In the absence of information, we are unable to ascertain the impact of the above on the IND AS financial statements of the company.</p>	<p>Ind-AS 37 defines a provision as a liability of uncertain timing and amount and prescribes conditions that have to be satisfied for recognition of a provision.</p> <p>A provision shall be recognised when:</p> <ul style="list-style-type: none"><li>* an entity has a present obligation (legal or constructive) that is a result of a past event;</li><li>* it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and</li><li>* a <b>reliable estimate</b> can be made of the amount of the obligation.</li></ul> <p>The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. In other words, the amount that an entity would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time. The estimates of outcome and financial effects are determined by the judgment of the management of the entity, supplemented by experience and in some cases, reports from independent experts.</p> <p>As per the concession agreement Company is under an obligation to keep the project assets in working condition, including making replacement, as per laid down standards of MOR. However, at present reliable estimate for restoration obligation is not available, therefore provision for same has not been recognised in financial statements, the same will be provided in the year in which estimate becomes reliable. The facts has been disclosed in note 48 of financial statements.</p>

**For and on behalf of the Board of Directors of  
BHARUCH DAHEJ RAILWAY COMPANY LIMITED**

**Sd/-  
Sanjay Dungrakoti  
Director  
DIN: 08028084**

**Sd/-  
Chandan Kumar Verma  
Director  
DIN: 10298031**

**Place: New Delhi  
Date: 29.08.2023**

Annexure-C

S. No.	Extracts from Secretarial Auditors Report	Management Reply
1.	Whereas in terms of Provisions of Section 203 of the Companies Act, 2013, the Company is required to have certain Key Managerial Personnel (KMP). The Company has not appointed a Managing Director or a Chief Executive Officer since 1st December, 2020.	The process for appointment of Managing Director was already initiated by the Company and the same may be appointed shortly.
2.	In terms of provisions of Section 173(1) of the Companies Act, 2013 every Company shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive Board Meetings. The Board Meeting of the Company held on 19th May, 2022 was held after a gap of 146 days from the previous Board Meeting held on 23rd December, 2021.	The delay has been inadvertently occurred. The same has been noted for future compliances.  Further, necessary compliances will be taken care for making good the default.
3.	The Company has not filed following e-forms, which were due to be filed in Audit Period under review: a) DIR-12 - For appointment of Ms. Seema Kumar as Director b) DIR-12 - For cessation of Ms. Jaya Varma Sinha & Mr. Malaiyappan Thennarasan as Directors c) Form PAS-6 - Reconciliation of Share Capital Audit Report (Half Yearly) for the period 01/10/2022 to 31/03/2023	Due to ongoing technical issues with the latest version of website of Ministry of Corporate Affairs, the forms could not be filed within the due time.  We have raised the issue with the Ministry of Corporate Affairs and the same will be resolved and the forms will be filed at the earliest.

For and on behalf of the Board of Directors of  
BHARUCH DAHEJ RAILWAY COMPANY LIMITED

Sd/-  
Sanjay Dungrakoti  
Director  
DIN: 08028084

Sd/-  
Chandan Kumar Verma  
Director  
DIN: 10298031

Place: New Delhi  
Date: 29.08.2023





**Details of litigation / cases under Service Tax**

Sr. No.	Case No.	Title of case	Status of the case
1.	Show Cause Notice no. 158/2014 dated 21.10.2014	Show cause notice in relation to services render by BDRCL to WR for the FY 2011-12, 12-13 and 13-14 amounting Rs. 16,33,14,441/- was received by Company as on 03-11-2014.	The Department has filed an appeal in Hon'ble Supreme Court against the said order. Accordingly, in response to the above, BDRCL has submitted the counter affidavit to the Court.
		Thereafter personal hearing took place on 22.09.2015 before Principal Commissioner of Service Tax, Delhi which resulted in an order being passed in favor of Company (Order No.-C. No DL-III/ST/IV/16/40/BDRCL 2015).	
		Further, the matter was moved to CESTAT and CESTAT passed the order in favor of the Company vide Order No ST/A/50434-50435-50435/2019-CU (DB) dated 25/03/2019 and rejected the demand filed by the department	
	Civil Appeal Diary No. 40312/2019 with Supreme Court of India	Department has gone for Appeal against the order of CESTAT	
2.	Show Cause Notice no. 06/2016 dated 31.03.2016	Show cause notice in relation to services render by BDRCL to WR for the FY 2014-15 amounting Rs. 16,37,96,945/- was received by Company as on 04-04-2016. In relation to above context the Company submitted reply to notice on 24-05-2016.	No further communication has received till date
		In relation to above context the Company submitted reply to notice on 24-05-2016.	
3.	Show Cause Notice no. F.NF.NO. DL/GST-South/Naraina/R-55 / SCN / Bharuch / 249 / 2019 / 1986	Show cause notice in relation to services render by BDRCL to WR for the FY 2016-17 & 17-18 amounting Rs. 8,99,09,166/- was received by Company as on 06-05-2019.	No further communication has received till date
		In relation to above, the Company submitted reply to notice on 04-06-2019.	

## DETAILS OF COURT CASE

Annexure D.Contd.

**(A) GUJARAT HIGH COURT AHMEDABAD  
ADVOCATE- SH. R.N.SINGH, AHMEDABAD**

Sr.No	Case No.	Filed by	Remarks
1	15200/2015	Jagdish Manilal Vasava	Applicant gone for appeal to High Court against the orders of Labour Court Bharuch. Last date of listing of matter was 16.04.2020. The status is pending.
2	15201/2015	Shahrukhkhan Abdul Hafizkhan	
3	15202/2015	Swapnil B. Malaviya	
4	15203/2015	Firozkhan Isubkhan Pathan	
5	15204/2015	Imranali M. Shaikh	

**(B) GUJARAT HIGH COURT AHMEDABAD**

Land Acquisition Case -First Appeal against the decision dt.04.04.2018 of Bharuch Court.

**ADVOCATE - SH. R.N.SINGH, AHMEDABAD**

Sr. No.	LAR No.	Filed by	Remarks
1	First Appeal No. 911/2022 AND 936/2022 to 949/2022 & Allied matter	Kanubhai Manilal Patel	Civil Court Bharuch has ordered to pay additional compensation of Rs.315/-sqm compensation for their acquired Land for Rly. Yard.
2		Natwerlal Manilal Patel	
3		Dahyabhai Dalubhai Patel	
4		Rameshbhai Bhikhabhai	
5		Dhirajlal Tribhuvanbhai Patel	
6		Yakubbbhai Valibhai Suleman	Company has gone for appeal with High Court, Ahmedabad against the order of civil court Bharuch.
7		Jayantibhai Lallubhai	
8		Umarjee Ismail Mohd.	
9		Ranchhodbbhai Bhavanbhai Patel	High court vide order dated 19.08.2019 directed to deposit 50 % of the claim amount with registrar of HC Ahmedabad.
10		Thakorbbhai Dahyabhai Patel	
11		Sachinbhai Dineshbhai Patel	
12		Ibrahim Mohdbhai Umarjee	The appeal of the company has been listed for admission by the High Court vide order dated 28.01.2020.
13		Mustakbbhai Ali Ibrahim	
14		Mustakbbhai Ali Ibrahim	
15		Daluben Ukabhai Bharvad	

**(C) CENTRAL GOVT. INDUSTRIAL TRIBUNAL LALDARWAJA, AHMEDABAD****ADVOCATE - Ms. HIRAL, ADVOCATE with SH. R.N.SINGH**

Sr.No	RLC(C) No.	Filed by	Remarks
1	CGIT No. 117/2018	Sikandarali Fakirbax Shaikh	Contract employees were discontinued due to non availability on UMLC while on duty.
2	CGIT No. 118/2018	Bhartsing Kasibhai Padhiyar	
3	CGIT No. 119/2018	Vijay Babubhai Vasava	
4	CGIT No. 120/2018	Manish Natwerbhai Limbachiya	
5	CGIT No. 136/2018	Sagar Bhagwandas Sinda	
6	CGIT No. 137/2018	Imtiyaz Ayubhai Garasiya	
7	CGIT No. 138/2018	Umesh Arvindbhai Prajapati	
8	CGIT No. 139/2018	Kishorbhai Babubhai Vasava	

**Note** Orders with schedule received from Desk Officer, New Delhi Dated. 31.10.2018 in which the above persons who were terminated and RLC/BRC report of FOC to Shram Mantralay, New Delhi and now reference has been made to CGIT Ahmedabad.



**LABOUR COURT BHARUCH**

**(A) RECOVERY APPLICATION BY APPLICANT BEFORE LABOUR COURT  
LABOUR LAW PRACTITIONER- SH. PIYUSH DANAK**

Sr. No	Circular LAR No.	Filed by	Remarks
1	31/2015	Mohd. Faroquekhan Azadkhan	Pending

**(B) 3RD SR.ADD. CIVIL JUDGE BHARUCH - DARKHAST (EXECUTION PETITION)  
ADVOCATE - Railway Advocate as Sr. DEN/BRC is party.**

Sr. No	LAR No./ LA Darkhast Case No.	Filed by	Remarks
1	80/2014 56/2018	Kanubhai Manilal Patel	Demanded payment of additional compensation of Land acquired for CVJ yard by RVNL/RLY. The matter is being looked after by Western Railway.
2	82/2014 59/2018	Natwerlal Manilal Patel	
3	85/2014 55/2018	Dahyabhai Dalubhai Patel	
4	86/2014 57/2018	Rameshbhai Bhikhabhai	
5	91/2014 58/2018	Dhirajlal Tribhuvanbhai Patel	

**Note:** Case filed by the applicant against Railway Development Project Manager, Vadodara. First appeal against order of Civil court Bharuch has been filed before Hon.High Court of Gujarat.

**(C) 2ND ADDL. SR. CIVIL JUDGE (BHARUCH)  
ADVOCATE - SH. P.MODI (RLY. ADVOCATE)**

Sr. No	RLC(C) No.	Filed by	Remarks
1	39/2014 (Serve No.668)	Kalyansinh Madhavsingh	New case filed for Land Acquisition Ref. Demanding additional compensation for the land acquired at Dahej.
2	40/2014 (Serve No.625)	Ramchandra Shukla Rajendra N. Shukla	

**Note:** Case is filed against Sr. Divisional Engineer, W. Rly, Vadodara but notice sent to BDRCL and requested to represent the case thro' nominating advocate. Transferred to Civil court Vagra. The matter is being looked after by Western Railway.

**INDUSTRIAL COURT VADODARA  
Labour Law Practitioner - SH. PIYUSH DANAK**

Sr. No	Case No.	Filed by	Remarks	STATUS
1	Ref. (IT) 68/2018	W. Rly Contract Emp. Union -BRC	Demand 1 to 6 submitted before ALC(S) BH which has been ref. to Industrial court Vadodara	PENDING

**REGIONAL LABOUR COMMISSIONER, VADODARA**

A matter is going with the Regional Labour Commissioner, Vadodara regarding the charter of demands submitted by certain contractual personnel directly hired by the Company. The matter is under reconciliation

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2023**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

CIN: U45203DL2006PLC155511

Nominal Capital: Rs. 1650000000/-

To,

**The Members,**  
**Bharuch Dahej Railway Company Limited**  
39-42, 3<sup>rd</sup> Floor, Indra Palace, H Block  
Middle Circle, Connaught Circus,  
Connaught Place, New Delhi-110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BHARUCH DAHEJ RAILWAY COMPANY LIMITED (CIN: U45203DL2006PLC155511)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provides us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Bharuch Dahej Railway Company Limited ("The Company") for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under: - **Not Applicable**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: - **Not Applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"): -
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - **Not Applicable**
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015; - **Not Applicable**



- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018; - **Not Applicable**
  - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 2014; - **Not Applicable**
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable**
  - vi. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - **Not Applicable**
  - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not Applicable**
  - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **Not Applicable** and
  - ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: - **Not Applicable**
- (vi) We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standard issued by Institute of Company Secretaries of India..
  - (ii) The Listing Agreements entered into by the Company with .....Stock Exchanges:- **Not Applicable**

During the Period under review, the Company has, pursuant to the Provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) and the rules framed thereunder, amended the Objects Clause of its Memorandum of Association by appending following sub clause (7) after sub clause (6) of Clause III (A) of the Memorandum of Association of the Company:

“To carry on the business of Infrastructure Providers Category I (IP-I) including business of providing dark fibers, Right of way, Duct space, towers for the purpose to grant on lease/rent/sale to the licensees of telecom services licensed under section 4 of Indian Telegraph Act, 1885.”

The Company has amended the Object Clause of its Memorandum of Association with the approval of its Members in Annual General Meeting held on 28<sup>th</sup> September, 2022 and the Certificate of Registration of the Special Resolution confirming alteration of Object Clause has been received from the Registrar of Companies, Delhi.

During the period under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines subject to the following observations:

1. Whereas in terms of Provisions of Section 203 of the Companies Act, 2013, the Company is required to have certain Key Managerial Personnel (KMP). The Company has not appointed a Managing Director or a Chief Executive Officer since 1st December, 2020.
2. In terms of provisions of Section 173(1) of the Companies Act, 2013 every Company shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive Board Meetings. The Board Meeting of the Company held on 19th May, 2022 was held after a gap of 146 days from the previous Board Meeting held on 23rd December, 2021.
3. The Company has not filed following e-forms, which were due to be filed in Audit Period under review:
  - a) DIR-12 - For appointment of Ms. Seema Kumar as Director
  - b) DIR-12 - For cessation of Ms. Jaya Varma Sinha & Mr. Malaiyappan Thennarasan as Directors
  - c) Form PAS-6 - Reconciliation of Share Capital Audit Report (Half Yearly) for the period 01/10/2022 to 31/03/2023

**We further report that**

The Board of Directors of the Company, being a Joint Venture, mainly comprises of Nominee Directors (Non-Executive Directors), representing the Stakeholders in Joint Venture. Adequate notice is given to all directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines,

The Report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.

**For A. ANAND & CO.  
Company Secretaries**

Sd/-

**CS Anil Anand  
(Proprietor)**

**FCS: 12153, COP No: 11295**

**PR No: 2719/2022**

**UDIN: F012153E000886895**

**Date: 29-August-2023**

**Place: New Delhi**



To,  
**The Members,**  
**Bharuch Dahej Railway Company Limited**  
39-42, 3<sup>rd</sup> Floor, Indra Palace, H Block  
Middle Circle, Connaught Circus,  
Connaught Place, New Delhi-110001.

Our Report even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A. ANAND & CO.**

**Company Secretaries**

Sd/-

**CS Anil Anand**

**(Proprietor)**

**FCS: 12153, COP No: 11295**

**PR No: 2719/2022**

**UDIN: F012153E000886895**

**Date: 29-August-2023**

**Place: New Delhi**

**R S M & Associates**  
**Chartered Accountants**

B-104, 4<sup>th</sup> Floor, sector -8, Dwarka  
New Delhi – 110017  
Phones : 01145062895  
Mob. No.: 9871713974  
Email : rsmnewdelhi@gmail.com

## **INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF BHARUCH DAHEJ RAILWAY COMPANY LIMITED

### **Report on the Audit of Ind AS financial statements**

#### **Qualified Opinion**

We have audited the Ind AS financial statements of **Bharuch Dahej Railway Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including the statement of Other Comprehensive Income), Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information. (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Ind AS financial statements give the information required by the Companies Act ("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 March 31, 2023 and profit (Including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for qualified Opinion**

1. The opening balances and the comparative figures disclosed in the Ind AS financial statements for the year ended March 31, 2023 are based on the audited Ind AS financial statements of the Company for the year ended March 31, 2022 on which Auditors' Report dated September 1, 2022 expressed a qualified opinion. The matters which resulted in the qualification inter alia included the prospective application of Appendix- A to Ind AS 11 from the transition date on the first Ind AS financial statements of the Company as at March 31, 2017. The Company had opted to apply this appendix from the transition date prospectively as the Management did not find it practicable to apply this appendix retrospectively. Based on audit procedures and queries made, we were unable to obtain sufficient appropriate audit evidence to ascertain that retrospective application of Appendix A to Ind AS 11 was impracticable as defined in Ind AS 8 to avail the exemption of Ind AS 101. Consequently, we were unable to ascertain the impact, of the above on the Ind AS financial statements of the Company."

In view of the above, any adjustments to the opening balances as at April 1, 2022 that would have been required may have a consequential effect on the Company's assets and liabilities as at April 1, 2022 and March 31, 2023 and its results for the year ended March 31, 2023 and the presentation and disclosure thereof in the Ind AS financial statements.

2. Reference is drawn to Note No. 48 of the Ind AS Financial statements on obligation to restore project assets to specified level of serviceability. In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including making replacement, as per laid down standards of MOR, of all project assets whose codal lives expire during the concession period. Accordingly, Company is required to provide for in respect of replacement obligations arising during the remaining concession period as per requirement of Appendix - C of the Ind AS 115 for best estimate of





expenditure required to settle obligation. However the company has not estimated and provided for the aforesaid obligation in the IND AS Financial statements. In the absence of information, we are unable to ascertain the impact of the above on the IND AS financial statements of the company.

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

- i. Without Qualifying our opinion, We draw attention to Note No.20 & Note No.22 to the Ind AS Financial Statements, the Operations and Maintenance Agreement with the Western Railways that define among others, rights & obligations, the share of Income & Expenses to be apportioned to the company arising out of the Operation of the Bharuch- Dahej -Samni Railways line by the company has not yet been signed. The company has however recognized the operating income and expenses arising out of this arrangements is yet to be formalized.

We further draw attention to note no. 20 & Note No. 22 to the Ind AS Financial statements. The Operating income and operating expenses accounted for by the company are based on provisional figure made available by Western railways and the final figure could vary. Our opinion is not qualified in respect of this matter.

#### **Other Information**

The company's Management and Board of Directors are responsible for the other Information. The other Information comprises the information included in the company's annual report, but doesn't include the financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements doesn't cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other Information identified above when it becomes available, consider whether the other information is material inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as applicable under the relevant laws and regulation.

#### **Responsibilities of Management for Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows 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 judgements 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Ind AS financial statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind-AS 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 Standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls 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 management.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieve fair presentation.
- 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 Ind AS 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.
- Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (1) planning the scope of our audit work and in evaluating the results of our work; and (2) to evaluate the effect of any identified misstatements in the standalone Ind AS 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 all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Report on Other Legal and Regulatory Requirements.**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order,
2. As required by Section 143(3) of the Act, based on our audit 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 purpose 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), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 our separate Report in "**Annexure B**".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the act ,as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provision of section 197 of the act.

- (h) 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 has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No 37 to the Ind AS financial statements;
  - 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.
  - iv.
    - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the zone ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall ,whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of the Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Interim dividend declared and paid during the year by the company is in compliance with section 123 of the Act.
- vi. As the proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only with effect from 1<sup>st</sup> April 2023 , reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
3. As required by Section 143(5) of the Act and as per directions issued by Comptroller and Auditor General of India for the period ended 31<sup>st</sup> March,2023, we report that:

Sr. No.	Directions	Auditor's Replies
(i)	Whether the Company has system in place to process all the accounting transaction through IT? If Yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the Financial implication, if any, may be stated.	All the accounting transaction are processed and recoded through accounting software Tally.ERP9. Since all the transactions are processed through IT there are no transaction which is outside the IT System.
(ii)	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/ loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	No restructuring has been done during the financial year.
(iii)	Whether funds received/ receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Not applicable

**For R S M & Associates**  
**Chartered Accountants**  
**Firm Registration No.002813S**

**Sd/-**  
**CA E. Madhusudan Reddy**  
**Partner**  
**Membership No. 202308**  
**UDIN: 23202308BGRFNZ1676**

**Place: New Delhi**  
**Date: 29.08.2023**



**Annexure - A to the Independent Auditors' Report**

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of Independent Auditor's Report to the members of **Bharuch Dahej Railway Company Limited** on standalone Ind As Financial Statement for the period ended 31<sup>st</sup> March-2023)

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of the audit and to the best of our knowledge and belief, we state that: -

- (i) (a) The Company is maintaining proper records of property plant and equipment's including records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The company is maintaining proper records showing full particulars of intangible assets.
- (c) According to the information and explanations are given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company/ Western Railways.
- (d) According to the information and explanations are given to us and on the basis of our examination of the records of the Company, The company has not revalued its Property, Plant & Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations are given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the company for the holding any benami property under the prohibition of Benami Property Transaction Act,1988 and rules made thereunder.
- (ii) (a) The Company has not purchased any goods or does not have any inventories during the year Accordingly reporting under clause 3(ii)(a) of the order are not applicable on the Company.
- (b) According to the Information and explanation given to us and on the basis of our examination of the records of the company, the Company has not been during any point of time of the year sanctioned with any working capital limits accordingly reporting under clause 3(ii)(b) of the order are not applicable on the Company.
- (iii) According to the Information and explanations given to us and on the basis of our examination of the records of the company ,the company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured ,to the companies ,firms, limited liabilities partnerships or any other parties during the year. The provisions of clauses 3(iii) (a), (b) , (c) ,(d) (e ) and (f) of the order are not applicable to the company.
- (iv) According to the Information and explanations given to us and on the basis of our examination of the records, the company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act,2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act,2013.Further,the Companies has complied with the provisions of Section 186 of the Companies Act,2013 in relation to loans given and Investments made.
- (v) According to the information and explanations given to us, and as per our examination of records, the company has not accepted any deposits from public and therefore, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013, and rules framed there under, are not applicable on the Company. Accordingly, reporting under clause 3 (v) of the Order is not applicable to the Company.
- (vi) According to the Information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the service provided by it. Accordingly, clause 3(vi) of the order is not applicable .
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues,

wherever applicable, with the appropriate authorities

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable

- (b) According to the Information and explanation given to us, the following are the statutory due which have not been deposited as on 31.03.2023 on account of disputes (Annexure attached below).

Name Statute of	Nature of Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Service Tax	Service Tax interest and penalty	1633 (plus interest and penalties not quantified by the Company)	2011-12 to 2013-14	The demand has been disputed by the Tax Authorities and is pending for adjudication before The Supreme Court.
Service Tax	Service Tax interest and penalty	1638 (plus interest and penalties)	2014-15	The demand has been disputed by the company and is pending for adjudication before the Commissioner Service Tax.
Service Tax	Service Tax interest and penalty	1614.85 (plus interest and penalties)	2015-16	The demand has been disputed by the company and is pending for adjudication before the Commissioner Service Tax.
Service Tax	Service Tax interest and penalty	899.09 (plus interest and penalties)	2016-17 & 2017-18 (upto June 2017)	The demand has been disputed by the company and is pending for adjudication before the Commissioner Service Tax.
Total		4452.94 (plus interest and penalties)		

- (viii) According to the Information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) According to the Information and explanation given to us and on the basis of our examination of the record of the company, the Company has not defaulted in repayment of loans or other borrowing or in the payment of Interest thereon to any lender, Accordingly clause 3(ix)(a) of the order is not applicable
- (b) According to the Information and explanation given to us and on the basis of our examination of the record of the company, the company has not been declared a wilful defaulter by the bank or the financial Institution or government or government authority.
- (c) According to the Information and explanation given to us and on the basis of our examination of the record of the company, the company has applied the term loan for the purpose for which the loan were obtained .
- (d) According to the Information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds have been raised on short -term basis by the company, Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) According to the Information and explanations given to us and on an overall examination of the financial statements of the Company, report that company has not any subsidiary as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (e) & (f) of the Order is not applicable.



- (x) (a) According to the Information and explanations given to us the Company has not raised any moneys by way of Initial public offer or further public offer (including debt instrument ).Accordingly, clause 3 (x)(a) of the Order is not applicable.
- (b) According to the Information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, Clause 3(x)(b) of the Order is not applicable.
- (xi) (a) According to the information made available to us there is no fraud reported by the company or any fraud done on the company.
- (b) No report under sub- section (12) of section 143 of the Act has been filed in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There is no receipt of whistle-blower complaints, received by us or by the Company during the financial year 2022-23.
- (xii) According to the Information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on Information and explanations provided to us and our audit procedures, in our opinion, the Company has an Internal Audit System commensurate with the Size and nature of its business.
- (b) We have Considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (a), (b), (c) and (d) of the Order is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us, during the financial year 2022-23 and in the preceding financial year 2021-22 the Company has not incurred any cash losses.
- (xviii) There has been no resignation of the statutory auditors during the year, accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the Information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the day of balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when the fall due.
- (xx) In our Opinion and according to the Information and explanation given to us, there is no unspent amount under sub section (5) of Section 135 of the Companies Act,2013 pursuant to any project .Accordingly, clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The Company is not required to prepare the Consolidated Financial Statements hence reporting under clause 3 (xxi) of the Order is not applicable.

#### **Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements' section of our report to the members of **Bharuch Dahej Railway Company Limited** on the financial statements for the period ended 31<sup>st</sup> March 2023

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

We have audited the internal financial controls over financial reporting of **Bharuch Dahej Railway Company Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS 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 considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 Ind AS 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 March 31, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R S M & Associates**  
**Chartered Accountants**  
**FRNo. 002813S**

**Sd/-**  
**CA E. Madhusudan Reddy**  
**Partner**

**Membership No.202308**  
**UDIN: 23202308BGRFNZ1676**

**Place: New Delhi**  
**Date: 29/08/2023**

## BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2023		As at 31st March 2022	
<b>I. ASSETS</b>					
<b>1 Non-Current Assets</b>					
(a) Property, Plant and equipment	3	29.28		28.62	
(b) Right of use Assets	4	-		8.37	
(c) Other Intangible assets	5	25,934.54		26,709.60	
(d) Intangible assets under development	6	69.84		69.84	
(e) Financial Assets	7				
(i) Loans		-		-	
(ii) Others	7.1	73.46		66.64	
(f) Other non-current assets	8	30.37	26,137.49	30.37	26,913.44
<b>2 Current Assets</b>					
(a) Financial Assets	9				
(i) Trade Receivables	9.1	6,687.14		4,779.40	
(ii) Cash and cash equivalents	9.2	2,312.29		2,159.04	
(iii) Bank Balances other than (ii) above	9.3	87.51		-	
(iv) Loans					
(v) Others	9.4	14.85		531.05	
(b) Current Tax Assets (Net)	19	47.32		22.92	
(c) Other current assets	10	199.67	9,348.78	68.87	7,561.28
<b>Total Assets</b>			<b>35,486.27</b>		<b>34,474.72</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share Capital	11	15,511.00		15,511.00	
(b) Other Equity	12	9,529.00	25,040.00	5,911.02	21,422.02
<b>Liabilities</b>					
<b>(1) Non-current liabilities</b>					
(a) Financial Liabilities	13				
(i) Borrowings	13.1	1,567.00		6,397.44	
(ia) Lease Liabilities	13.2	-		-	
(ii) Trade Payables	13.3				
(a) Dues to Micro & Small Enterprises		-		-	
(b) Dues to Creditors other than Micro & Small Enterprises		2,414.05		1,536.76	
(iii) Other financial liabilities	13.4	23.53		8.01	
(b) Provisions	14	66.37		27.82	
(c) Deferred Tax Liabilities (Net)	15	4,094.94		3,260.79	
(d) Other Non-Current Liability	16.1	800.00	8,965.89	700.56	11,931.38
<b>(2) Current Liabilities</b>					
(a) Financial Liabilities	17				
(i) Lease Liabilities	17.1	-		10.35	
(ii) Trade payables	17.2	-		-	
(a) Dues to Micro & Small Enterprises		57.21		33.80	
(b) Dues to Creditors other than Micro & Small Enterprises		1,138.41		805.29	
(iii) Other financial liabilities	17.3	170.82		111.98	
(b) Other current liabilities	16.2	111.47		159.11	
(c) Provisions	18	2.47		0.79	
(d) Current Tax liability (Net)	19	-	1,480.38	-	1,121.32
<b>Total Equity and Liabilities</b>			<b>35,486.27</b>		<b>34,474.72</b>

See accompanying notes to the financial statements 1 to 52

As per our Report of even date attached

For R S M &amp; Associates

Chartered Accountants

Sd/-

CA E. Madhusudan Reddy

Partner

Membership No. 202308

Firm Registration No. 002813S

Place: New Delhi

Date : 29.08.2023

For and on behalf of Board of Directors of  
Bharuch Dahej Railway Company Limited

Sd/-

Sanjay Dungrakoti

Director

DIN 08028084

Sd/-

Balkishan Sharma  
Chief Financial Officer

Sd/-

Chandan Kumar Verma

Director

DIN 10298031

Sd/-

Kanika Mathur  
Company Secretary



# Bharuch Dahej Railway Company Limited

CIN: U45203DL2006PLC155511

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs except EPS)

Particulars	Note No.	Year ended 31st March 2023	Year ended 31st March 2022
<b>I Revenue :</b>			
Revenue from operations	20	12,312.36	5,119.11
<b>II Other income</b>	21	128.26	282.40
<b>III Total Income (I + II)</b>		<b>12,440.62</b>	<b>5,401.51</b>
<b>IV Expenses:</b>			
Operation & Maintenance	22	4,446.28	2,737.94
Employee benefits expense	23	178.39	123.35
Finance cost	24	525.64	755.40
Depreciation and amortization	25	1,353.90	1,353.47
Other Expenses	26	680.53	133.51
<b>Total Expenses (IV)</b>		<b>7,184.74</b>	<b>5,103.67</b>
<b>V Profit/loss Before exceptional items and Tax (III - IV)</b>		<b>5,255.88</b>	<b>297.84</b>
<b>VI Exceptional items</b>	27	-	2,239.71
<b>VII Profit/(Loss) before tax (V + VI)</b>		<b>5,255.88</b>	<b>2,537.55</b>
<b>VIII Tax expense:</b>			
(1) Current tax	28		
- For the year		494.55	-
- For earlier years (net)		-	-
(2) Deferred tax (net)		833.89	(368.98)
<b>Total Tax Expense (VIII)</b>		<b>1,328.44</b>	<b>(368.98)</b>
<b>IX Profit/(loss) for the period from continuing operation (VII - VIII)</b>		<b>3,927.44</b>	<b>2,906.53</b>
<b>X Profit/(loss) from discontinued operations</b>		-	-
<b>XI Tax Expense of discontinued operations</b>		-	-
<b>XII Profit/(loss) from discontinued operations (after tax) (X-XI)</b>		-	-
<b>XIII Profit/(loss) for the period (IX+XII)</b>		<b>3,927.44</b>	<b>2,906.53</b>
<b>XIV Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to profit and loss	29	1.02	(0.07)
(ii) Income Tax relating to Items that will not be reclassified to profit and loss		(0.26)	0.02
(iii) Income Tax relating to Items that will be reclassified to profit and loss			
		<b>0.76</b>	<b>(0.05)</b>
<b>XV. Total Comprehensive Income for the period (XIII + XIV) (Comprehensive profit and other comprehensive income for the period)</b>		<b>3,928.20</b>	<b>2,906.48</b>
<b>XVI Earnings Per Equity Share: (in INR)</b>			
(For Continuing Operation)			
(1) Basic (Face Value of share ₹10 /-) (in ₹)	30	2.53	1.87
(2) Diluted (Face Value of share ₹10 /-) (in ₹)	30	2.53	1.87
<b>XVII Earnings Per Equity Share: (In INR)</b>			
(For discontinuing Operation)			
(1) Basic (Face Value of share ₹10 /-) (in ₹)		-	-
(2) Diluted (Face Value of share ₹10 /-) (in ₹)		-	-
<b>XVIII Earnings Per Equity Share: (In ₹)</b>			
(For discontinued and continuing Operation)			
(1) (Face Value of share ₹10 /-) (in ₹)	30	2.53	1.87
(2) Diluted (Face Value of share ₹10 /-) (in ₹)	30	2.53	1.87

See accompanying notes to the financial statements

1 to 52

As per our Report of even date attached

For R S M & Associates

Chartered Accountants

Sd/-

CA E. Madhusudan Reddy

Partner

Membership No. 202308

Firm Registration No. 002813S

Place: New Delhi

Date : 29.08.2023

For and on behalf of Board of Directors of  
Bharuch Dahej Railway Company Limited

Sd/-

Sanjay Dungrakoti

Director

DIN 08028084

Sd/-

Balkishan Sharma  
Chief Financial Officer

Sd/-

Chandan Kumar Verma

Director

DIN 10298031

Sd/-

Kanika Mathur  
Company Secretary

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31 2023

(₹ in Lakhs)

Particulars		Year ended 31st March, 2023	Year ended 31st March, 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before taxation		5,255.88	2,537.55
Adjustment for :			
Depreciation and Amortization		1,353.90	1,353.47
Interest Income		(99.57)	(126.08)
Loss(Profit) on sale of assets		-	-
Interest Expense		301.72	609.62
Interest on lease liability		0.39	2.09
Other Comprehensive Income		1.02	(0.07)
Unwinding of discount on receivable from Western Railways under Service Concession Arrangement		(6.81)	(6.15))
Reversal of Fair Value Adjustment of Financial Liabilities		-	(143.69)
Provision for Bad Debts		516.51	-
Unwinding of discount on deferred overhead charges		-	143.69
<b>Operating Profit before operating capital changes</b>	<b>(1)</b>	<b>7,323.04</b>	<b>4,370.43</b>
Adjustment for :			
Decrease / (Increase) in Other non current financial asset		-	10.16
Decrease / (Increase) in Trade receivable		(1,907.74)	(1,108.53)
Decrease / (Increase) in Other current financial asset		0.24	(10.29)
Decrease / (Increase) in Other current Assets		(130.80)	(57.32)
(Decrease) / Increase in Trade Payables		877.29	(1,020.30)
(Decrease) / Increase in Long term Provisions		38.55	5.59
(Decrease) / Increase in Current Trade Payables		356.53	(267.66)
(Decrease) / Increase in Other Current financial Liability		(18.85)	37.61
(Decrease) / Increase in Other financial Liability		25.87	10.79
(Decrease) / Increase in Other Liabilities		(222.87)	247.70
(Decrease) / Increase in Fair Valuation of the Financial Liabilities		243.65	(700.08)
(Decrease) / Increase in Short term Provisions		1.68	0.17
	<b>(2)</b>	<b>(736.45)</b>	<b>(2,852.16)</b>
<b>Cash generated from operation</b>	<b>(1+2)</b>	<b>6,586.59</b>	<b>1,518.27</b>
Income Tax Paid (Net of Refunds)		518.95	(18.52)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(A)</b>	<b>6,067.64</b>	<b>1,536.79</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital Expenditure including Capital Advances (Net of Transfer of Capital Assets)		(571.15)	(277.88)
Decrease / (Increase) in Bank Balance other than those taken to Cash and Cash Equivalent		(87.51)	-
Interest Received		99.02	126.08
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(B)</b>	<b>(559.64)</b>	<b>(151.80)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Borrowings		(4,830.44)	(1,377.92)
Lease liability paid during the year		(10.35)	(18.23)



# Bharuch Dahej Railway Company Limited

CIN: U45203DL2006PLC155511

## Cash Flow.....Contd.

(₹ in Lakhs)

Interest on lease liability		(0.39)	(2.09)
Interest paid		(290.87)	(659.39)
Interim Dividend Paid (Refer Note 12.1.1)		(222.70)	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(C)</b>	<b>(5,354.75)</b>	<b>(2,057.63)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENT</b>	<b>(A+B+C)</b>	<b>153.25</b>	<b>(672.64)</b>
<b>CASH AND CASH EQUIVALENT (OPENING)</b>	<b>(D)</b>	<b>2,159.04</b>	<b>2,831.68</b>
Cash			
On Current Accounts		2,159.04	2,831.68
Deposits with original maturity of less than three months		-	-
<b>CASH AND CASH EQUIVALENT (CLOSING)</b>	<b>(E)</b>	<b>2,312.29</b>	<b>2,159.04</b>
Cash			
On Current Accounts		1,312.29	2,159.04
Deposits with original maturity of less than three months		1,000.00	-
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENT</b>	<b>(E-D)</b>	<b>153.25</b>	<b>(672.64)</b>

- The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS-7 on Cash Flow Statement notified by the Ministry of Corporate Affairs, Government of India under the Companies Act, 2013.
- The company adopted the amendment to Ind-AS 7 effective from April 1, 2017, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

(₹ in Lakhs)

## Reconciliation of Liabilities arising from financing activities as on 31st March 2023 are as follows:

Particulars	Interim Dividend and TDS Payable on Dividend	Interest Accrued on Borrowings	Lease Liabilities	Borrowings
<b>Balance at 1st April, 2022</b>	-	-	10.35	6,397.44
<b>Cash flows:-</b>				
-Payment	(222.70)	(290.87)	(10.74)	(4,830.44)
-Proceeds	-	-	-	-
<b>Non-Cash:-</b>				
- Interest Recognised	-	301.72	0.39	-
- Interim Dividend Declared	310.22	-	-	-
-Additions to right of use assets in exchange for increased lease liabilities	-	-	-	-
-Adjustments	-	-	-	-
<b>Balance at 31st March, 2023*</b>	<b>87.52</b>	<b>10.85</b>	<b>0.00</b>	<b>1,567.00</b>

\* Amount of Rs. 87.52 Includes Rs. 31.02 Payable as TDS and Rs. 56.10 Lakhs as dividend Payable.

(₹ in Lakhs)

Reconciliation of Liabilities arising from financing activities as on 31st March 2022 are as follows:

Particulars	Interest Accrued on Borrowings	Lease Liabilities	Borrowings
<b>Balance at 1st April, 2021</b>	<b>49.77</b>	<b>30.64</b>	<b>7,775.36</b>
<b>Cash flows:-</b>			
-Repayment	(659.39)	(20.32)	(1,377.92)
-Proceeds	-	-	-
<b>Non-Cash:-</b>			
- Interest Recognised	609.62	2.09	-
-Additions to right of use assets in exchange for increased lease liabilities	-	-	-
-Adjustments	-	(2.06)	-
<b>Balance at 31st March, 2022</b>	<b>-</b>	<b>10.35</b>	<b>6,397.44</b>

Previous year's figures are reclassified/regrouped to confirm and make them comparable with those of the current year.

As per our Report of even date attached

**For R S M & Associates**

Chartered Accountants

Sd/-

**CA E. Madhusudan Reddy**

Partner

Membership No. 202308

Firm Registration No. 002813S

Place: New Delhi

Date : 29.08.2023

For and on behalf of Board of Directors of  
**Bharuch Dahej Railway Company Limited**

Sd/-

**Sanjay Dungrakoti**

Director

DIN 08028084

Sd/-

**Balkishan Sharma**

Chief Financial Officer

Sd/-

**Chandan Kumar Verma**

Director

DIN 10298031

Sd/-

**Kanika Mathur**

Company Secretary



# Bharuch Dahej Railway Company Limited

CIN: U45203DL2006PLC155511

## Statement of changes in equity for the period ended 31st March 2023

### A. Equity share capital

(₹ in Lakhs)

Particulars	No. of shares (in lakhs)	Amount
<b>Balance at April 1st, 2022</b>	1,551.10	15,511.00
Change in equity share capital due to prior period errors	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>1,551.10</b>	<b>15,511.00</b>
Changes in equity share capital during the year	-	-
(a) issue of equity shares capital during the year	-	-
<b>Balance at 31st March 2023</b>	<b>1,551.10</b>	<b>15,511.00</b>

### B. Other Equity

(₹ in Lakhs)

Particulars	Reserve & Surplus	Total
	Retained Earnings	
Balance at the beginning of the reporting period	5,911.02	5,911.02
Changes in accounting policy or prior period errors	-	-
<b>Restated balance at the beginning of the reporting period</b>	<b>5,911.02</b>	<b>5,911.02</b>
Profit for the period	3,927.44	3,927.44
Other Comprehensive income for the period	0.76	0.76
<b>Total Comprehensive Income for the period</b>	<b>3,928.20</b>	<b>3,928.20</b>
Dividends paid	(310.22)	(310.22)
<b>Balance at the end of the reporting period</b>	<b>9,529.00</b>	<b>9,529.00</b>

The accompanying notes are integral part of financial statements.

As per our Report of even date attached

#### For R S M & Associates

Chartered Accountants

Sd/-

**CA E. Madhusudan Reddy**

Partner

Membership No. 202308

Firm Registration No. 002813S

Place: New Delhi

Date : 29.08.2023

For and on behalf of Board of Directors of

**Bharuch Dahej Railway Company Limited**

Sd/-

**Sanjay Dungrakoti**

Director

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Sd/-

**Balkishan Sharma**

Chief Financial Officer

Sd/-

**Chandan Kumar Verma**

Director

DIN 10298031

Sd/-

**Kanika Mathur**

Company Secretary

**Statement of changes in equity for the period ended 31st March 2022**

**A. Equity share capital**

(₹ in Lakhs)

Particulars	No. of shares (in lakhs)	Amount
<b>Balance at April 1st, 2021</b>	1,551.10	15,511.00
Change in equity share capital due to prior period errors	-	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>1,551.10</b>	<b>15,511.00</b>
Changes in equity share capital during the year	-	-
(a) issue of equity shares capital during the year	-	-
<b>Balance at 31st March 2022</b>	<b>1,551.10</b>	<b>15,511.00</b>

**B. Other Equity**

(₹ in Lakhs)

Particulars	Reserve & Surplus	Total
	Retained Earnings	
Balance at the beginning of the reporting period	3,004.54	3,004.54
Changes in accounting policy or prior period errors	-	-
<b>Restated balance at the beginning of the reporting period</b>	<b>3,004.54</b>	<b>3,004.54</b>
Profit for the period	2,906.53	2,906.53
Other Comprehensive income for the period	(0.05)	(0.05)
<b>Total Comprehensive Income for the period</b>	<b>2,906.48</b>	<b>2,906.48</b>
Dividends paid	-	-
<b>Balance at the end of the reporting period</b>	<b>5,911.02</b>	<b>5,911.02</b>

The accompanying notes are integral part of financial statements.

As per our Report of even date attached

**For R S M & Associates**

Chartered Accountants

Sd/-

**CA E. Madhusudan Reddy**

Partner

Membership No. 202308

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Director

DIN 10298031

Sd/-

**Kanika Mathur**

Company Secretary





**BHARUCH DAHEJ RAILWAY COMPANY LIMITED**

**Notes to the financial statements for the year ended 31st March 2023**

**1 General Information**

Bharuch Dahej Railway Company Limited (BDRCL) is a public limited company domiciled and was incorporated in India on November 15, 2006 as a Special Purpose Vehicle for the purpose of executing the Bharuch-Samni-Dahej Gauge Conversion Project for Western Railway. The company is a Joint Venture between Rail Vikas Nigam Limited (RVNL), Gujarat Maritime Board (GMB), Adani Petronet (Dahej) Port Private Limited (APDPPL), Gujarat Narmada Valley Fertilizers & Chemicals Limited (GNFC), Dahej SEZ Limited (DSL), Jindal Rail Infrastructure Limited (JRIL), Hindalco Industries Limited (HIL) and Gujarat Industrial Development Corporation (GIDC). The registered office of the company is 39-42, 3rd Floor, H Block, Middle Circle, Connaught Circus, Connaught Place, New Delhi-110001.

The Company has entered into a Concession Agreement with President of India, through Executive Director Traffic (PPP) of the Ministry of Railways (MOR), Government of India, Rail Bhawan, New Delhi on June 25, 2008 in terms of which the MOR (Concessioneing Authority) has authorized the company (Concessionaire) to develop, finance, construct, operate and maintain the project railway and to exercise and/or enjoy the right, power, benefits, privileges authorization and entitlements upon its completion. The concession period shall be 30 years of operation or till such time as Net Present Value (NPV) of payback on equity investment becomes 14% whichever is earlier. In case such NPV payback is reached earlier than 30 years, the concession agreement would stand terminated and the project line would be re-possessed by railways.

The company has also executed a lease deed on the same day with the President of India for the use of leased assets which form part of the concession agreement and is attached as annexure-1 thereto. In terms of the lease agreement it commences on the date of execution i.e. June 25, 2008 and term of lease shall be co-terminus with the Concession period with annual lease rental (a) for original land of WR- as per the extant policy of MoR, (now the Concession Agreement has been amended with the fixed lease charges of Rs. 1,000/- per annum) (b) for new land acquired by WR- @ Rs. 1/- Per Annum, is payable in advance in one single installment in first week of January every year.

Upon expiry, the company is required to hand over the project assets to MoR free from all encumbrances whatsoever. Upon transfer the company shall be entitled to receive amount equal to book value of project assets. Fresh land acquired by MoR and leased to company shall also revert back to MoR on payment of an amount equal to the cost of acquisition.

Later, at the instance of Western Railway the line was extended from Bharuch to Chavaj a distance of 5.52 KM. This additional BG goods line was certified as it safe to run on 20.02.2014 and same was in operational since 27th February 2014 for running of goods train parallel to DN line on Mumbai-Delhi Rajdhani route of Vadodara Division.

The Concession agreement referred to above envisages signing of an Operation and Maintenance Agreement (O&M Agreement) by the company with Western Railway for operation of the railway line. In terms of the proposed O&M Agreement, the company is entitled to a share of revenue from operations of the Bharuch-Samni-Dahej railway line. As per communication received from the Western Railway, revenue has been apportioned to the company w.e.f March 8, 2012, the date of commencement of operations of the Bharuch-Dahej-Samni railway line. Accordingly, March 8, 2012 has been treated as the date of completion of the Bharuch-Samni-Dahej Gauge Conversion Project and the company has started to prepare the Profit & Loss Statement w.e.f March 8, 2012.

Process for signing an O&M Agreement by the Company with Western Railway is underway. In the meantime, the Company is receiving its share of revenue after adjusting cost of Operation & Maintenance based on in principle approval received from the Ministry of Railways.

**2 Basis of Preparation**

**2.1 Statement of Compliance**

The Standalone financial statements as at and for year ended 31st March, 2023 have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under section 133 of the companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

## 2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention and on an accrual basis, except for the following item that have been measured at fair value as required by relevant Ind-AS

- i. Certain financial assets and liabilities measured at fair value (Refer policy for financial instruments).

## 2.3 Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Examples of such estimates includes future obligations under employee retirement benefit plans, estimated useful life of property, plant and equipment and Intangible Assets. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognised in the period in which the results are known /materialize.

All financial information presented in Indian rupees and all values are rounded to the nearest lakhs up to two decimals except where otherwise stated.

## 2.4 Statement of cash flow

Cash flows are reported using the Indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated as per Ind AS-7.

For the purpose of presentation in the Statement of Cash Flow, cash and cash equivalents include cash in hand, deposits held at call with banks and financial institutions, other short term, highly liquid investment with original maturity of three months or less that are readily convertible to the known amount of cash and which are subject to insignificant risk of change in value.

### Amendment to Ind-AS 7

Effective April 1, 2017, the company has adopted the amendment to Ind-AS 7, which require the entities to provide disclosures that enable users of financial Statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the financial statements.

## 2.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. (i.e. Functional Currency). The financial statements are presented in Indian rupees, which is company's functional as well as presentation currency of the company.

## 2.6 Property, plant and equipment

- (I) Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of asset includes the following:
  - a) Cost directly attributable to the acquisition of the assets.
  - b) Present value of the estimated cost of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.
- (II) Subsequent costs are included in the assets carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when such component is replaced. All other expenses in the nature of repair and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred as per Ind AS 16.
- (III) As per management estimate there is no decommissioning , restoration or similar liabilities on its property, plant and equipment hence, no adjustment has been made in this regard.



**(IV) Depreciation**

(i)(a) Depreciation on Property, plant and Equipment is provided on Straight Line basis (SLM) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

(b) Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset.

(ii) The estimated useful life of assets for current and comparative period of significant items of property plant and equipment are as follows:

Particulars	Useful Life (Years)
Plant and Machinery	15
EDP Assets	3
Office Equipment's	5
Furniture and fixtures	10
Vehicles	8

(iii) Leasehold improvements are depreciated over the period of lease from the year in which such improvements are capitalised or useful life as computed under schedule II whichever is less.

(iv) Depreciation methods, useful lives and residual values are reviewed at each reporting date. In the case of revision, the unamortised depreciable amount is depreciated on a prospective basis.

(v) Each part of an item of Property, Plant and Equipment is depreciated separately if the cost of that part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of asset.

**2.7 Intangible Assets**

**(A) Freight Sharing Right (Railway Line under Service Concession Arrangement)**

The Company has constructed Project Railway (i.e. Broad-Gauge railway line from Bharuch to Dahej in the State of Gujarat) under the Concession Agreement which gives right to the Company to receive a proportionate share of freight earnings from Railways for the freight trains' run on the Project Railway. This right is recognized as intangible asset in accordance with Ind AS 38, as per the requirement of Appendix D to Ind AS 115.

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the company is able to charge the public for the use of the infrastructure to the end of the concession period (i.e. 30 year of operation or Net present Value (NPV) payback equal to equity investment @14% whichever is earlier).

Freight sharing right is amortised using the straight line method on prorata basis from the date of addition or from the date when the right brought in to service to the expiry of 30 year of operation or Net present Value (NPV) payback equal to equity investment @14% whichever is earlier.

Amortisation methods and useful lives are reviewed at each reporting date, with the effect of change in estimate accounted for on a prospective basis.

The carrying value of intangible asset is reviewed for impairment annually or more often if events or changes in circumstances indicate that the carrying value may not be recoverable.

**(B) Other than Freight Sharing Right**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at historical cost less accumulated amortization and impairment loss, if any.

Intangible assets other than freight sharing right are amortised in 3 years or according to the useful life of the assets on pro rata basis.

**(C) Freight sharing right under development**

Expenditure incurred on development of existing and new assets (including revenue sharing rights in respect of project railway) are recognised as Intangibles under development at cost incurred by company which is reckoned as fair value of services provided including cost directly attributable including fair value adjustment of land related to the service concession arrangement.

The following amounts are reduced from the cost:

- a) Interest earned on the Mobilization Advances given in respect of the project execution.
- b) Amount received on sale of tender

## 2.8 Investment properties

- (a) Investment property comprises completed property, property under construction and property held under finance lease that is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.
- (b) Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- (c) The company depreciates building component of investment property over the life described in schedule II of companies Act 2013 from the date of original purchase.
- (d) Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

## 2.9 Provisions

Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date. Provisions are reviewed at each Balance Sheet date.

Provision which are expected to be settled beyond 12 months are measured at the present value by using pretax discount rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

In respect of Operation & Maintenance expenses through Western Railway (WR), same are accounted for on the basis of information received from (WR). Whenever such information is not received, same is accounted for on pro-rata estimated basis.

## 2.10 Revenue Recognition

### a) Revenue from Contracts with Customers

Revenue from contract with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

#### Revenue from Railway Operation

Apportionment of freight as accrued to the company under the terms of the concession agreement for freight operation on the project assets is recognised by the company in point in time as operating revenue as per IndAS 115 (i.e. actual freight collected by Railways).

#### Construction Contract Revenue under SCA

Revenue related to construction or upgrade services under a service concession arrangement is recognized over time based on the stage of completion of the work performed, when the outcome of construction contract can be measured reliably and where the outcome of construction contract can not be measured reliably revenue is recognised only to the extent of contract cost incurred that is probable will be recoverable. Performance obligation is measured by the company on the basis of inputs to the satisfaction of a performance obligation ( i.e Input Method).

### b) Other Revenue Recognition

Interest income on Fixed Deposits with Bank is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable using Effective Interest Rate Method.

## 2.11 Leases

- (i) The Company Recognizes a right-of- use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.



- (ii) The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use-asset or the end of the lease term. The estimated useful life of the right-to-use asset is determined on the same basis as those of property, plant and equipment. In addition, the right-to-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.
- (iii) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.
- (iv) The lease liability is measured at amortized cost using the effective interest method, it is remeasured when there is a change in future lease payments from a change in an index or rate. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right -of-use asset, or is recorded in the profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.
- (v) The Company presents right-of-use asset that do not meet the definition of Investment property in the "Right of use assets" separately on the face of the Balance Sheet and lease liabilities in "other financial liabilities" in the Balance Sheet.
- (vi) Short term Lease and Leases of low value assets. The Company has elected not to recognize right-of-use asset and lease liabilities for short term leases that have lease term of 12 months or less and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**As A Lessor**

- (i) When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all the risk and rewards incidental to the ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not then it is an operating lease. As part of the assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.
- (ii) If an arrangement contains lease and non-lease components, the Company applies Ind AS-115 "Revenue from contract with customers" to allocate the consideration in the contract.
- (iii) The Company recognizes lease payments received under operating lease as income on a straight-line basis over the lease term as part of "Other Income".

**2.12 Impairment of non-financial assets**

In accordance with Ind AS-36 on Impairment of Assets, the carrying amounts of Company's assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated as the higher of the Fair Value less cost to sell and the value in use. An impairment loss is recognized in Statement of Profit and Loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit and Loss.

**2.13 Borrowing Cost**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of such assets till such time the assets are substantially ready for their intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

**2.14 Employee Benefits**

**a) Short Term Employee Benefits:**

The undiscounted amount of short term employee benefits expected to be paid for the services rendered are recognised as an expense during the period when the employees render the services. The undiscounted amount of short term employee benefits expected to be paid for the services rendered are recognised as an expense during the period when the employees render the services.

**b) Post-employment benefits & other Long Term Employee Benefits:**

- (i) Retirement benefits in the form of provident fund and National Pension Scheme (NPS) are defined contribution schemes. The company has no obligation, other than the contribution @ 10% of Basic pay plus dearness allowance payable under such scheme and Charges payable for operation of the Pension scheme will be borne by the Company. The contributions to the provident fund and NPS are charged to

the statement to the Profit and loss for the year when the contributions are due.

- (ii) Under the defined retirement plan, the company provides retirement obligation in the form of Gratuity. For defined retirement plans, the difference between the fair value of plan assets and the present value of plan liabilities is recognised as an assets and liabilities in the statement of financial position. The cost of providing benefit is determined on the basis of actuarial valuation using the projected unit credit method at each year-end and is charged to the Statement of Profit & Loss.
- (iii) Provision for long term Leave Encashment is made based on actuarial valuation at the year end.
- (iv) Actuarial gains or losses for gratuity are recognised in other comprehensive income.
- (v) Re-measurements recognised in other comprehensive income comprise of actuarial gains or losses that are not reclassified to profit or loss from other comprehensive income in subsequent periods. Retirement Benefits Liability in respect of Gratuity and leave encashment is provided on the basis of actuarial valuation.

## 2.15 Taxes

### Current income tax

- a) i. Current income tax is determined as per the provisions of the Income Tax Act in respect of taxable income for the year.
- b) Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided / paid as and when assessments are completed.
- c) Current tax related to OCI Item are recognised in Other Comprehensive Income (OCI).

### Deferred tax

- a) Deferred income tax assets and liabilities are recognised for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- b) Deferred income tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- c) The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.
- d) Deferred tax related to OCI Item is recognised in Other Comprehensive Income (OCI).

## 2.16 Earnings Per Share

In determining basic earnings per share, the company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. In determining diluted earnings per share, the net profit attributable to equity shareholders and weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

## 2.17 Contingent Liabilities and contingent Assets

- (a) Contingent Liabilities are disclosed in either of the following cases:
  - (i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
  - (ii) A reliable estimate of the present obligation cannot be made; or
  - (iii) A possible obligation, unless the probability of outflow of resource is remote.
- (b) Contingent Liability is net of estimated provisions considering possible outflow on settlement.
- (c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date
- (d) Contingent assets are disclosed where an inflow of economic benefits is probable.

## 2.18 Fair Value Measurement

Company measures certain financial instruments at fair value 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 principle or the most advantageous market must be accessible to the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. 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.

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-
- 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.

For assets and liabilities that are recognised in the financial statements 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.

At the reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## **2.19 Dividend to equity holders**

Dividend paid/payable is recognised in the year in which the related dividends are approved by shareholders or board of directors as appropriate.

## **2.20 Financial instruments:-**

### **a. Initial recognition and measurement**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Trade receivable that do not contain the significant financing component are measured at transaction price determined under Ind AS 115.

### **b. Subsequent measurement**

#### **Financial Assets**

Financial assets are classified in following categories:

#### **a) At Amortized Cost**

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost using effective interest rate method less impairment if any. The EIR amortisation is included in finance income in the statement of profit and loss.

#### **b) At fair value through Other Comprehensive Income**

A debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

\* The asset's contractual cash flows represent SPPI. Debt instruments included within the FVTOCI

category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned is recognised using the EIR method.

**c) At Fair Value Through Profit and Loss**

FVTPL is a residual category for financial Assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. If doing so reduces or eliminates a measurement or recognition inconsistency. The company has not designated any financial asset as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

**Financial liabilities**

**a) Financial liabilities at Amortized Cost**

Financial liabilities at amortised cost represented by trade and other payables, security deposits and retention money are initially recognised at fair value, and subsequently carried at amortized cost using the effective interest rate method.

**b) Financial liabilities at FVTPL**

The company has not designated any financial liabilities at FVTPL.

**c) Derecognition**

**Financial Asset**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

**Financial Liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

**d) Impairment of financial assets:**

Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applies on whether there has been significant increase in credit risk.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss.

**2.21 Non-current Assets held for Sale**

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

If the criteria stated by IND AS 105 "Non-current Assets Held for Sale and Discontinued Operations" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised, had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.





**Notes to the financial statements for the year ended 31st March 2023**

**2.22 Events occurring after Balance Sheet Date**

Events occurring after Balance Sheet date are considered in the preparation of financial statements in accordance with Ind AS 10 (Contingencies and Events Occurring After Balance Sheet Date).

**2.23 Standard/Amendments issued but not yet effective**

MCA had issued the Indian Accounting Standards Amendments Rules, 2023 vide notification dated 31st March 2023. In the Indian Accounting Standards Amendments Rules, 2023, amendments has been made in following standards:-

1. First-time Adoption of Indian Accounting Standards (Ind AS-101)
2. Share Based Payment (Ind AS-102)
3. Business Combinations (Ind AS-103)
4. Financial Instruments: Disclosures (Ind AS-107)
5. Financial Instruments (Ind AS-109)
6. Revenue from Contracts with Customers (Ind AS-115)
7. Presentation of Financial Statements (Ind AS-1)
8. Accounting Policies, Changes in Accounting Estimates and Errors (Ind AS-8)
9. Income Taxes (Ind AS-12)
10. Interim Financial Reporting (Ind AS-34)

The effective date of these amendments is annual periods beginning on or after 1st April 2022. The Company is currently evaluating the impact of the amendments and estimated not material impact on the financial statements.

**3. Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	EDP Assets	Office Equipment	Furniture & Fixtures	Plant & Machinery	Leasehold Equipment	Vehicle	Total Tangible Asset
<b>Cost or Deemed Cost</b>							
<b>At 1st April 2021</b>	<b>15.42</b>	<b>20.15</b>	<b>21.10</b>	<b>28.35</b>	<b>16.42</b>	<b>16.58</b>	<b>118.02</b>
Additions	-	1.29	0.28	-	-	-	<b>1.57</b>
Disposals	-	-	-	-	-	-	-
<b>At 31st March 2022</b>	<b>15.42</b>	<b>21.44</b>	<b>21.38</b>	<b>28.35</b>	<b>16.42</b>	<b>16.58</b>	<b>119.59</b>
Additions	<b>2.24</b>	1.70	3.07	-	-	-	<b>7.01</b>
Disposals	-	-	-	-	0.03	-	<b>0.03</b>
<b>At 31st March 2023</b>	<b>17.66</b>	<b>23.14</b>	<b>24.45</b>	<b>28.35</b>	<b>16.39</b>	<b>16.58</b>	<b>126.57</b>
<b>Depreciation and impairment</b>							
<b>At 1st April 2021</b>	<b>11.42</b>	<b>16.24</b>	<b>14.05</b>	<b>11.87</b>	<b>15.60</b>	<b>14.28</b>	<b>83.46</b>
Depreciation charge for the period	1.53	1.07	1.65	1.80	-	1.46	<b>7.51</b>
Disposals	-	-	-	-	-	-	-
<b>At 31st March 2022</b>	<b>12.95</b>	<b>17.31</b>	<b>15.70</b>	<b>13.67</b>	<b>15.60</b>	<b>15.74</b>	<b>90.97</b>
Depreciation charge for the period	1.68	1.42	1.42	1.80	-	-	<b>6.32</b>
Disposals	-	-	-	-	-	-	-
<b>At 31st March 2023</b>	<b>14.63</b>	<b>18.73</b>	<b>17.12</b>	<b>15.47</b>	<b>15.60</b>	<b>15.74</b>	<b>97.29</b>
<b>Net book value</b>							
<b>At 31st March 2023</b>	<b>3.03</b>	<b>4.41</b>	<b>7.33</b>	<b>12.88</b>	<b>0.79</b>	<b>0.84</b>	<b>29.28</b>
<b>At 31st March 2022</b>	<b>2.47</b>	<b>4.13</b>	<b>5.68</b>	<b>14.68</b>	<b>0.82</b>	<b>0.84</b>	<b>28.62</b>

**Notes to the financial statements for the year ended 31st March 2023**

**3.1** Property, Plant and equipment are subject to first charge to secure the Company's Bank loans. For detail refer Note 13.1

**3.2** As per estimate there is no decommissioning, restoration or similar liabilities on its property, plant and equipment hence, no adjustment has been made in this regard.

**4 Right of use Assets**

(₹ in Lakhs)

Particulars	Building	Total
<b>At 1st April 2021</b>	<b>61.82</b>	<b>61.82</b>
Addition during the year	-	-
Adjustment	(2.06)	(2.06)
<b>At 31st March 2022</b>	<b>59.76</b>	<b>59.76</b>
Addition during the year	-	-
Adjustment	(59.76)	(59.76)
<b>At 31st March 202223</b>	<b>-</b>	<b>-</b>
<b>Accumulated Amortisation and Impairment</b>		
<b>At 1st April 2021</b>	<b>35.46</b>	<b>35.46</b>
Amortisation	15.93	15.93
Adjustment		
<b>At 31st March 2022</b>	<b>51.39</b>	<b>51.39</b>
Amortisation	8.38	<b>8.38</b>
Adjustment	(59.77)	(59.77)
<b>At 31st March 2023</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>		
<b>At 31st March 2023</b>	<b>-</b>	<b>-</b>
<b>At 31st March 2022</b>	<b>8.37</b>	<b>8.37</b>



**Notes to the financial statements for the year ended 31st March 2023**

**5. Other Intangible Assets**

(₹ in Lakhs)

Particulars	Revenue Sharing Rights	Software	Total
<b>At Cost or deemed cost</b>			
<b>At 1st April 2021</b>	<b>35,503.34</b>	<b>1.31</b>	<b>35,504.65</b>
Addition during the year	276.31	-	276.31
Adjustment	-	-	-
<b>At 31st March 2022</b>	<b>35,779.65</b>	<b>1.31</b>	<b>35,780.96</b>
Addition during the year	564.14	-	564.14
Adjustment	-	-	-
<b>At 31st March 2023</b>	<b>36,343.79</b>	<b>1.31</b>	<b>36,345.10</b>
<b>Amortisation and Impairment</b>			
<b>At 1st April 2021</b>	<b>7,740.34</b>	<b>0.99</b>	<b>7,741.33</b>
Amortisation	1,330.03	-	1,330.03
Adjustment	-	-	-
<b>At 31st March 2022</b>	<b>9,070.37</b>	<b>0.99</b>	<b>9,071.36</b>
Amortisation	1,339.20	-	1,339.20
Adjustment	-	-	-
<b>At 31st March 2023</b>	<b>10,409.57</b>	<b>0.99</b>	<b>10,410.56</b>
<b>Net book value</b>			
<b>At 31st March 2023</b>	<b>25,934.22</b>	<b>0.32</b>	<b>25,934.54</b>
<b>At 31st March 2022</b>	<b>26,709.28</b>	<b>0.32</b>	<b>26,709.60</b>

**5.1** Amortisation on other intangible assets included in Note 25 Depreciation & Amortisation.

**5.2** Intangible assets are subject to first charge to secure the company's bank loans. For detail refer Note 13.1.

**5.3** Addition to Intangible Assets are

- i) OHE isolation Line number 3 At Dahej Terminal
- ii) Arbitration Award for Project to RVNL- Refer Note No. 37(v)

**Notes to the financial statements for the year ended 31st March 2023**
**6. Intangible Assets Under Development**

(₹ in Lakhs)

Particulars	Gross Amount						
	At 1st April 2021	Additions/ (Disposals)	Transfer/ Deduction/ Adjust-ments	At 31st March 2022	Additions/ (Disposals)	Transfer/ Deduction/ Adjust-ments	At 31st March 2023
<b>Revenue sharing right under development</b>							
Line-5 Interlocking Work	69.84	272.33	272.33	69.84	-	-	69.84
Other Project Assets	-	-	-	-	-	-	-
<b>Total</b>	<b>69.84</b>	<b>272.33</b>	<b>272.33</b>	<b>69.84</b>	<b>-</b>	<b>-</b>	<b>69.84</b>

6.1 The Intangible Assets under development includes expenditure incurred by the Company on the upgradation of the project railway or to create additional facility (Interlocking of Line No-5 at Dahej) thereon which give rise to future economic benefits.

6.2 During the year ended 31st March 2023 the Company has recognized Rs. NIL (as at 31st March 2022 Rs.272.33 Lakhs) as intangibles on completion of the works and accordingly, intangibles assets under development has been reduced by same amount.

**6.3 Intangible assets under development ageing schedule**

(₹ in Lakhs)

Intangible assets under development	Amount in Intangible under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	69.84	69.84
Projects temporarily suspended	-	-	-	-	-

6.4 Details of Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan are as below:

(₹ in Lakhs)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Line-5 Interlocking Work	69.84	-	-	-



# Bharuch Dahej Railway Company Limited

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## Notes to the financial statements for the year ended 31st March 2023

### 7. Financial Assets-Non Current

Other Financial Assets			(₹ in Lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022	
<b>Considered Good : Unsecured</b>			
Security Deposits	3.27	3.27	
Receivable from Western Railways under SCA (Refer Note 31)	70.19	63.37	
<b>Total</b>	<b>73.46</b>	<b>66.64</b>	

8 Other Non Current Assets			(₹ in Lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022	
<b>Others</b>			
Land Aquisition - Deposit (Refer Note No. 37(iv))	30.37	30.37	
<b>Total</b>	<b>30.37</b>	<b>30.37</b>	

### 9 Financial Assets- Current

9.1 Trade Receivables			(₹ in Lakhs)
Particulars	As at 31st March 2023	As at 31st March 2022	
<b>Considered good,Unsecured</b>			
Receivable from related party	-	-	
Receivable from others	6,687.14	4,779.40	
<b>Total Trade Receivable</b>	<b>6,687.14</b>	<b>4,779.40</b>	

- (A) The Trade Receivables includes the amount receivable from the Western Railway being the revenue apportioned including Terminal Cost, after adjusting amount of O&M expenses.
- (B) The revenue and expenses apportioned as above by the Western Railway are on provisional basis and the final figures may vary. Further the amount of net receivable as on 31st March 2023 being Rs 6,653.97 Lakhs [31 March 2022 being Rs 4,755.61 Lakhs] is subject to confirmation by the Western Railway.
- (C) 'Trade Receivables' includes the apportioned earnings of BDRCL for chargeable distance of 100.68 KM. However, such earnings have been made available by Western Railway to BDRCL in accordance with the carried route recorded in FOIS system of CRIS. The differences, if any, considered in books of accounts on receipt of requisite details/information's.
- (D) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. No any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or member other than stated above.
- (E) Trade receivable are normally settled on around 45 days term.
- (F) Trade Receivable' includes a sum of Rs 0.87 Lakhs [31st march 2022-Rs 0.87 Lakhs] due towards ODC Income from Western Railways.
- (G) Trade Receivable' includes a sum of Rs 125 Lakh (approx) deducted from apportioned revenue by Western Railway on account of land lease charges upto 31st March 2018.The require modifications/amendment to be made in the concession agreement in accordance with Ministry of Railway vide letter No. 2017/Infra/12/20 dated 22.11.2017 has been made w.e.f. 01-11-2018 and now the applicable land lease charges is Rs 1,000 Per Annum.

**Notes to the financial statements for the year ended 31st March 2023**

(H) Trade receivable includes a sum of Rs 694.68 lakhs from Western Railway related to excess recovery made on account of Overhead on Staff Cost.

(I) 'Trade Receivables' includes the share of terminal cost of Rs. 2,999.05 Lakh from the 10.08.2017 to 31.03.2023. The same is receivable from WR and pending due to ratification of signed siding agreement by WR.

**(J) Trade Receivables ageing schedule**

As on 31st March 2023 are as follows:-

(₹ in Lakhs)

Particulars	Outstanding for following from due date of payment						
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Not Due	Total
(i) Undisputed Trade receivables – considered good	291.08	1,887.79	754.91	4.43	2,303.33	1,445.60	<b>6,687.14</b>
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
	<b>291.08</b>	<b>1,887.79</b>	<b>754.91</b>	<b>4.43</b>	<b>2,303.33</b>	<b>1,445.60</b>	<b>6,687.14</b>

As on 31st March 2022 are as follows:-

(₹ in Lakhs)

Particulars	Outstanding for following from due date of payment						
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Not Due	Total
(i) Undisputed Trade receivables – considered good	1,542.93	2,766.99	4.43	0.86	0.87	463.32	<b>4,779.40</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit Impaired	-	-	-	-	-	-	-
	<b>1,542.93</b>	<b>2,766.99</b>	<b>4.43</b>	<b>0.86</b>	<b>0.87</b>	<b>463.32</b>	<b>4,779.40</b>



# Bharuch Dahej Railway Company Limited

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## Notes to the financial statements for the year ended 31st March 2023

### 9.2 Cash and Cash equivalent

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with banks:		
On Current Accounts	1,312.29	2,159.04
Fixed Deposits with original maturity of 3 months or less	1,000.00	-
<b>Total Cash and Cash Equivalent</b>	<b>2,312.29</b>	<b>2,159.04</b>

(a) Balance in current accounts under cash and cash equivalents above includes liquid flexi term deposits Rs 1,312.29 Lakhs (31st March 2022 Rs.2,135.53 Lakhs).

### 9.3 Bank Balances other than cash and cash equivalent

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Interim Dividend Account (Refer Note No.12.1.1)	87.51	-
<b>Total</b>	<b>87.51</b>	<b>-</b>

### 9.4 Other Financial Assets-Current

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Considered Good : Unsecured</b>		
(a) Other Receivables		
RUB Sharing Amount from Western Railway and Industries Commissioner (Refer Note 9.4.1)	516.51	516.51
Less: provision for doubtful debts	(516.51)	-
<b>Considered Good : Unsecured</b>		
(b) Interest Accrued on Fixed Deposits	0.55	-
(c) Receivable from Others	1.16	1.11
(d) Security deposits	13.14	13.43
<b>Total</b>	<b>14.85</b>	<b>531.05</b>

**9.4.1:** 'Other Receivables' represent recoverable towards the cost of 02 road bridges (constructed at Shaktinath Junction & Hospital Road, both in Bharuch). Even though the Concession Agreement specifically quantified BDRCL's responsibility for construction of such bridges as 'Nil', these bridges had to be constructed based on orders of Ministry of Railway, with explicit undertaking of cost sharing between Western Railway & the Government of Gujarat in the usual manner of construction of such bridges over Indian Railway network. The cost of these bridges was Rs 916.51 lakhs, to be borne by the two parties i.e. Western Railway & Government of Gujarat. An amount of Rs 916.51 lakhs has accordingly been reduced from the value of Assets in the books of BDRCL. However, out of the total amount of Rs 916.51 lakh, only an amount of Rs 4 Crores has been received from the Government of Gujarat on 06.04.2011 and the balance amount of Rs 516.51 Lakh is still recoverable from the Government of Gujarat and Western Railway.

Since the liability of BDRCL in this regard is clearly defined as zero in the Concession Agreement, supporting the above position is a decision conveyed by Railway Board vide letter number No. 2015/Infra/18/6 dated 23.11.2017 and the construction of the bridges took place on explicit orders of the Railways with clear undertaking of sharing the cost with the State Government, expenditure on these bridges has necessarily to be borne by these two parties only that the cost of elimination of UMLCs on SPVs lines will be born by the Railways. Therefore same will be received in due course. The matter is being pursued with the Western Railway and the State Government vigorously. Considering long outstanding balance, during the current year provision for same has been provided.

**Notes to the financial statements for the year ended 31st March 2023****10 Other current assets**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Imprest to employees	0.12	0.08
Advance for expenses	1.27	2.27
Prepaid Expenses	71.91	66.52
Gst Paid In Advance (Refer Note 10.1)	126.37	-
<b>Total</b>	<b>199.67</b>	<b>68.87</b>

- 10.1** Company has received advance of Rs. 800 lakhs inclusive of GST for 1 line expenditure at Dahej Yard . GST amounting to Rs 122.03 lakhs has been deposited in advance. Further advance amount of Rs 28.45 lakhs inclusive of GST was received for shifting of OHE Mast. GST amounting to Rs 4.34 lakhs was deposited in advance.

**11 Equity Share Capital**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Authorised share capital</b>		
16,50,00,000 Equity Shares of ₹ 10 each (March 31, 2022 : 16,50,00,000 Equity Shares of ₹ 10 each)	16,500.00	16,500.00
	<b>16,500.00</b>	<b>16,500.00</b>
<b>Issued, Subscribed &amp; Fully Paid up Share Capital with voting rights</b>		
15,51,10,000 Equity Shares of Rs. 10 each with Voting Rights (March 31, 2022: 15,51,10,000 Equity Shares of Rs. 10 each Fully paid up)	15,511.00	15,511.00
	<b>15,511.00</b>	<b>15,511.00</b>

**(a) Reconciliation of the number of equity shares and share capital**

Particulars	As at 31st March 2023		As at 31st March 2022	
	No of shares	Amount in Lakhs)	No of shares	Amount in Lakhs)
Issued/Subscribed and Paid up equity Capital outstanding at the beginning of the year	1,551.10	15,511.00	1,551.10	15,511.00
Add: Shares Issued during the period				
Shares bought back during the period	-	-	-	-
<b>Issued/Subscribed and Paid up equity Capital outstanding at the end of the year</b>	<b>1,551.10</b>	<b>15,511.00</b>	<b>1,551.10</b>	<b>15,511.00</b>

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

The company has only one class of equity shares having par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distributing all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.





# Bharuch Dahej Railway Company Limited

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## Notes to the financial statements for the year ended 31st March 2023

### (c) Details of Shares held by each shareholder holding more than 5% shares in the company

(in Lakhs)

Name of the shareholder	As at 31st March 2023		As at 31st March 2022	
	No. of Shares (in Lakhs)	% holding in the class	No. of Shares (in Lakhs)	% holding in the class
Rail Vikas Nigam Ltd	550.00	35%	550.00	35%
Gujarat Industrial Development Corp.	178.60	12%	178.60	12%
Gujarat Maritime Board	178.60	12%	178.60	12%
Adani Petronet (Dahej) Port Private Ltd	173.30	11%	173.30	11%
Gujarat Narmada Valley Fertilizers & Chemicals Limited	135.30	9%	135.30	9%
Hindalco Industries Limited	135.30	9%	135.30	9%
Dahej SEZ Ltd	100.00	6%	100.00	6%
Jindal Rail Infrastructure Ltd	100.00	6%	100.00	6%
<b>Total</b>	<b>1,551.10</b>	<b>100%</b>	<b>1,551.10</b>	<b>100%</b>

### (d) Aggregate no. of equity shares issued as fully paid by way of bonus, other than cash & shares bought back during the period of five years immediately preceding the reporting date

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
	No's in Lakhs	No's in Lakhs	No's in Lakhs	No's in Lakhs	No's in Lakhs
Equity Shares issued for consideration other than cash & bonus shares	-	-	-	-	-
Equity Shares bought back	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### (e) Shareholding of Promoters are as follows:-

#### Shares held by promoters at the end of 31st March 2023

Promoter Name	No. of share	% of total share	% Change during the year
Rail Vikas Nigam Limited (Including 5 nominee directors)	5,50,00,000	35.46%	Nil
Adani Petronet (Dahej) Port (P) Ltd	1,73,30,000	11.17%	Nil

#### Shares held by promoters at the end of 31st March 2022

Promoter Name	No. of share	% of total share	% Change during the year
Rail Vikas Nigam Limited (Including 5 nominee directors)	5,50,00,000	35.46%	Nil
Adani Petronet (Dahej) Port (P) Ltd	1,73,30,000	11.17%	Nil

Notes to the financial statements for the year ended 31st March 2023

12. Other Equity

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Retained Earnings	9,529.00	5,911.02
<b>Total</b>	<b>9,529.00</b>	<b>5,911.02</b>

12.1 Retained earnings

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Balance as per last financial statement	5,911.02	3,004.54
Add: Profit/loss for the current period	3,927.44	2,906.53
Add: Other comprehensive income arising from Remeasurements of defined benefit obligation net of income tax	0.76	(0.05)
Less: Dividend (Interim) @ 0.20 per share ( Refer Note No- 12.1.1)	(310.22)	-
<b>Closing Balance</b>	<b>9,529.00</b>	<b>5,911.02</b>

12.1.1 Company declared Interim dividend in its Board meeting dated 31.03.2023 @ 20 paise per share, face value Rs 10.00 each to the 1551.10 lakhs number of shares. Rs 222.69 lakhs is paid on 31.03.2023 and remaining Rs 87.52 lakhs (including TDS on total Dividend of Rs. 31.02 Lakh) out of total declared interim dividend of Rs. 310.22 lakhs, is lying in the Interim Dividend Bank account on 31.03.2023. The Interim Dividend declared and paid by the Company during the year and until the date of signing of the financial statement is in Compliance with section 123 of the Companies Act 2013. (Refer Note 9.3)

**Retained Earnings**

Retained Earnings represents the undistributed profits of the Company.

13 Financial Liability-Non Current

13.1 Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Non Current	Current	Non Current	Current
<b>Secured, Long Term Borrowings</b>				
Term Loans				
From Canara Bank	1,567.00	-	6397.44	-
From Canara Bank	-	-	-	-
Less : Current Maturities of long term debt	-	-	-	-
<b>Total</b>	<b>1,567.00</b>	<b>-</b>	<b>6397.44</b>	<b>-</b>

Summary of Borrowing Arrangement

(₹ in Lakhs)

(a) Details of Repayment Made during the period

Particulars	As at 31st March 2023	As at 31st March 2022
Secured		
Term Loan		
From Canara Bank	4,200.44	1017.91
From Canara Bank	630.00	360.00
<b>Total</b>	<b>4,830.44</b>	<b>1,377.91</b>



**Notes to the financial statements for the year ended 31st March 2023**

**(b) Rate of Interest**

Interest rate for the period April '22 to March'23 is Canara Bank's one year MCLR 7.25% + 0.80% + 0.10% p.a i.e. 8.15% (31st March 2022 : Interest rate for the period April '21 to March'22 is Canara Bank's one year MCLR 8.20% + 0.05% p.a i.e. 8.25% ).

**(c) Security**

Secured by way of first charge on all present and future immovable and movable fixed assets of the company excluding those assets that have been leased by Ministry of Railways as per the Concession Agreement.

Secured by way of first charge on all the tangible movable property and plant of the company together with spares, tools, accessories and other movables both present and future.

**(d) Repayment terms:**

The annual repayment to be sub-divided into four equal quarterly installments. Interest to be served on monthly basis. Door to door tenor of 15 year for Term Loan of Rs 20,000 lakh and Door to door tenor of 13 year for Term Loan of Rs 3,000 Lakh. Canara Bank has allowed and permitted Re-scheduling of both the term loans under RBI guidelines for onetime restructuring of loan vide letter no. RBI/2020-21/16 DOR.No.BP.BC /3/21.04.048/2020-21 dated 06-08-2020. Accordingly Bank has provided 2 years moratorium from 01.04.2021 to 31.03.2023 vide agreement IN-DL86803913944683T dated 18-Jun-2021.

The liability during the year 2022-23 was NIL. However, despite of the available moratorium Company has repaid principal amount Rs. 4,830 Lakh during the year 2022-23 (Previous year 2021-22 Rs 1,378 Lakh) to Canara Bank. As the Company has already paid its liability in advance, accordingly, no liability payable for the year 2023-24. The remaining outstanding liability on term loan as on 31.03.2023 is Rs. 1,567 Lakh.

**13.2 Lease Liabilities**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Lease Liabilities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**13.3 Trade Payables**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Outstanding dues of micro and small enterprises	-	-
(ii) Outstanding dues of other than micro and small enterprises	-	-
<b>At Amortised Cost</b>		
Overhead Cost Payable	2,414.05	1,536.76
<b>Total</b>	<b>2,414.05</b>	<b>1,536.76</b>

- (i) Trade payable represents Overhead cost payable which were deferred for first ten year of operation and commencing from the 11th year of operation and to be recovered in next 10 years as per the Joint Procedure Order (JPO) signed in the 2021 at the Divisional Level and pending for finalization at WR (HQ).
- (ii) Overhead Expenses Payable was deferred till 2021-2022. The 1st Installment of Rs. 283.17 Lakh has been recovered by WR during the year 2022-2023. Recovery of Deferred Overhead Cost in FY 2023-24 will be Rs. 283.17 Lakhs as per WR intimation letter Dated 31.05.2023
- (iii) Western Railway has vide their letter dated 31st May 2023 has charged Interest on Deferred Overhead @7.5%, interest charged for the financial year 2022-23 is Rs 223.53 Lakhs, it has also been communicated vide same letter that interest @ 7.5% p.a. shall be charged on annual basis, therefore amount outstanding is considered at Fair value.

**Notes to the financial statements for the year ended 31st March 2023**
**(iv) Trade Payables aging schedule are as follows:-**

As on 31st March 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years 3 Years	2-3 More Years than	Not Due	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	2,414.05	2,414.05
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	-	-	-	2,414.05	2,414.05

As on 31st March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years 3 Years	2-3 More Years than	Not Due	
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	1,536.76	1,536.76
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	-	-	-	1,536.76	1,536.76

**13.4 Other Financial Liability**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Security Deposits	23.53	8.01
<b>Total</b>	<b>23.53</b>	<b>8.01</b>

**14 Provisions-Non Current**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Employee Benefits		
Gratuity	47.09	10.99
Leave Encashment	19.28	16.83
<b>Total</b>	<b>66.37</b>	<b>27.82</b>

**14.1** Provision for gratuity and Leave Encashment liability has been made for the year ended 31st March, 2023 based on Actuarial Valuation. For other disclosures refer Note 46.

**14.2** Gratuity Benefit is payable to employees on separation from the organisation. The amount of gratuity payable is based on past service and salary at the time of separation as per Payment of Gratuity act, 1972. There is a vesting period of 5 years on the benefit.



# Bharuch Dahej Railway Company Limited

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## Notes to the financial statements for the year ended 31st March 2023

### 15 Deferred Tax

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred tax liability on Property, plant & equipment, Intangible Assets and ROU Assets	4,242.26	4,243.73
<b>Total deferred tax liability</b>	<b>4,242.26</b>	<b>4,243.73</b>
Deferred tax Assets Employee benefit and Provision for Bad Debts	147.32	7.20
Unabsorbed depreciation & Business Loss	-	975.74
<b>Total deferred tax asset</b>	<b>147.32</b>	<b>982.94</b>
<b>Net Deferred Tax Liability/ (Assets)</b>	<b>4,094.94</b>	<b>3,260.79</b>

### 15.1 Movement in deferred tax liability/ (asset)

(₹ in Lakhs)

Particulars	PPE, Intangible Assets and ROU Assets	Employee Benefits & provision for bad debts	Unabsorbed Depreciation	Total
<b>Opening balance as at 1st April 2021</b>	<b>5,834.93</b>	<b>(7.98)</b>	<b>(2,197.16)</b>	<b>3,629.79</b>
Charged/(credited) during the year 2021-22				
To Profit & Loss	(1,591.20)	0.80	1,221.42	<b>(368.98)</b>
To other comprehensive income		(0.02)		<b>(0.02)</b>
<b>Closing balance as at 31st March 2022</b>	<b>4,243.73</b>	<b>(7.20)</b>	<b>(975.74)</b>	<b>3,260.79</b>
Charged/(credited) during the year 2022-23				
To Profit & Loss	(1.47)	(140.38)	975.74	<b>833.89</b>
To other comprehensive income		0.26		<b>0.26</b>
<b>Closing balance as at 31st March 2023</b>	<b>4,242.26</b>	<b>(147.32)</b>	<b>-</b>	<b>4,094.94</b>

In accordance with Ind AS-12- "Income Taxes" notified by Ministry of Corporate Affairs, Government of India, the Company has assessed the deferred tax taking into consideration all the items, due to which there is temporary difference between the carrying amount of the assets and liabilities and their tax base as on 31st March 2023.

### 16 Other Liabilities

#### 16.1 Other Non Current Liability

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Advance Received (Note 16.1.1)	800.00	-
Fair valuation adjustment of financial liabilities (Note 16.1.2)	-	700.56
<b>Total</b>	<b>800.00</b>	<b>700.56</b>

**16.1.1** Company has received Rs. 800 Lakhs inclusive of GST from Container Corporation of India for construction of 1 line for Dahej Yard, Further modality, MOU & Siding Agreement is still to be finalised.

**16.1.2** It represents unamortized portion of the difference between the fair value of financial Liabilities towards deferred overhead cost payable on initial recognition/ transition date and liability due towards deferred overhead charges. Further, in view of interest charged by Western Railways, refer note 13.3 (iii). Deferred Overhead cost is considered at fair value therefore impact of Fair value adjustment has been adjusted in deferred overhead cost payable.

**Notes to the financial statements for the year ended 31st March 2023**
**16.2 Other current Liability**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Advance Received from Customer (Note 16.2.1)	30.51	2.76
Statutory dues (Note 16.2.2)	80.96	12.14
Fair valuation adjustment of financial liabilities (Refer Note 16.1.2)	-	144.21
<b>Total</b>	<b>111.47</b>	<b>159.11</b>

**16.2.1** Advance received from customer includes Rs 28 Lakhs ( inclusive of GST) received from MG Contractors Pvt. Ltd. for shifting of OHE Mast.

**16.2.2** Statutory dues includes TDS, Service Tax/ GST and Provident Fund payable.

**17 Financial Liabilities**
**17.1 Lease Liabilities**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Lease liabilities	-	10.35
<b>Total</b>	<b>-</b>	<b>10.35</b>

**17.2 Trade Payables**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Outstanding dues of micro and small enterprises	57.21	33.80
(ii) Outstanding dues of other than micro and small enterprises		
Payable to Others	631.23	381.56
Payable to related parties	0.48	-
Overhead Cost Payable ( Refer Note:-13.3.1)	506.70	423.73
	<b>1,138.41</b>	<b>805.29</b>
<b>Total</b>	<b>1,195.62</b>	<b>839.09</b>

**(a)** The 'Payable to Others ' includes the amount payable to Western Railway towards Operation & Maintenance expenditure of Rs. 566.95 lakhs (Previous Year - Rs. 342.48 lakhs).

**(b)** The 'Trade Payables' includes the amount payable to Western Railway towards Land Lease Rental Charges computed in accordance with the Concession Agreement.

**(c)** Payable to related parties includes a sum of Rs 0.48 Lakhs ( 31st March 2022 Rs Nil lakhs ) payable to Adani Petronet & GIDC. Refer note 42.1 (c) for related party transactions and balances.



# Bharuch Dahej Railway Company Limited

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## Notes to the financial statements for the year ended 31st March 2023

### (d) Trade Payables aging schedule are as follows:-

As on 31st March 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years More than 3 years	Not Due	
(i) MSME	-	-	-	-	-
(ii) Others	248.16	188.11	203.95	555.40	1,195.62
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>248.16</b>	<b>188.11</b>	<b>203.95</b>	<b>555.40</b>	<b>1,195.62</b>

As on 31st March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years More than 3 years	Not Due	
(i) MSME	-	-	-	-	-
(ii) Others	329.88	0.04	15.87	493.30	839.09
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>329.88</b>	<b>0.04</b>	<b>15.87</b>	<b>493.30</b>	<b>839.09</b>

### 17.3 Other Financial Liability

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Security Deposits	52.59	68.33
Interest accrued and due on borrowings	10.85	-
Other Payables	23.70	21.02
Dividend Payable	56.50	-
Salary Payable	27.18	22.63
<b>Total</b>	<b>170.82</b>	<b>111.98</b>

### 18 Provisions Current

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Employee Benefits		
Gratuity	1.90	0.31
Leave Encashment	0.57	0.48
<b>Total</b>	<b>2.47</b>	<b>0.79</b>

**Notes to the financial statements for the year ended 31st March 2023**

**18.1** For other disclosures refer Note 46

**18.2** Leave Encashment is applicable for regular employees, accordingly, provision has been made. Further, No provision made for any contractual personnel as they are not entitled to any encashment of leave as per their terms of Contract and Company policy.

**19 Current Tax Asset and Liability**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Current tax Assets</b>		
Advance tax and TDS Receivable	541.87	22.92
Income Tax Refundable AY 2020-21	-	-
Provision for Income tax ( Net of advance tax & TDS)	(494.55)	
<b>Total</b>	<b>47.32</b>	<b>22.92</b>
<b>Current tax Liability</b>		
Income Tax Refundable AY 2010-2011	0.28	0.28
AY 2012-2013	2.16	2.16
Provision for Income Tax earlier year (Note 19.1)	(2.44)	(2.44)
Provision for Income tax	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**19.1** Refund receivable for A Y 2012-13 of Rs 2.16 lakh has been adjusted with demand of A Y 2009-10, therefore company has provided for provision of tax liability. However, company is contesting the demand and submitted its response to department for non adjusting demand. Further, a sum of Rs 0.28 Lakh is receivable from income tax department for A Y 2010-11, however refund is not issued since long therefore company has provided for provision for same during financial year 2016-17.

**20 Revenue from operations**

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Revenue From Contracts with Customers</b>		
(a) Income from Railway Operation	11,748.22	4,842.80
(b) Construction Contract Revenue under Service concession Arrangement (refer note 31)	564.14	276.31
<b>Total</b>	<b>12,312.36</b>	<b>5,119.11</b>

**20.1** Operating Income: The Bharuch-Samni-Dahej Railway line of route length 61.60 kilometers became operational from March 8, 2012 and Bharuch-Chavaj line of route length 5.52 Kilometers became operational from 27th February 2014 with the completion of the respective portions of the project. The operating income of the company has been recognized for the period from 1st April 2022 to 31st March 2023 for Bharuch-Samni-Dahej Railway line, with the revenue pertaining to Bharuch-Chavaj being computed on provisional basis. The share of BDRCL in the total revenue collected by the Railway at the time of loading is computed on the basis of percentage of chargeable distance travelled on BDRCL line to the total chargeable distance travelled. However, earnings have been made available by Western Railway to BDRCL in accordance with the carried route recorded in FOIS system of CRIS. The differences, if any, considered in books of accounts on receipt of requisite details/information's. While the Operation & Maintenance Agreement is yet to be signed with Western Railway, apportionment of revenue is being done on the basis of in-principle approval accorded by the Ministry of Railways.





## Bharuch Dahej Railway Company Limited

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### Notes forming part of the Financial Statement for the year ended March 31, 2023

- 20.2** The Ministry of Railway has allowed the Company to charge freight at inflated kilometers (50% inflated) for the distance travelled over BDRCL's jurisdiction. Therefore, as against actual distance of 67.12 kms on the Bharuch-Samni-Dahej section and actual distance of 5.52 km of Bharuch-Chavaj section constructed by the company, the total chargeable distance is taken as 100.68 kms. Revenue pertaining to Bharuch-Chavaj section has been accounted for on provisional basis.

### 21 Other Income

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(a) Interest Income		
Bank Deposits	99.57	126.08
Others	1.95	2.99
(b) Other Non-operating Income		
Unwinding of discount on receivable from Western Railways under Service Concession Arrangement	6.81	6.15
Reversal of Fair Value Adjustment of Financial Liabilities	0.00	143.69
(c) Miscellaneous Income	19.93	3.49
<b>Total</b>	<b>128.26</b>	<b>282.40</b>

### 22 Operation and Maintenance Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
(a) Operation & Maintenance Expenses	3,882.14	2,461.63
(b) Construction Contract Cost under Service Concession Arrangement (Refer Note No-31)	564.14	276.31
<b>Total</b>	<b>4,446.28</b>	<b>2,737.94</b>

- 22.1** In terms of the draft Operation and Maintenance Agreement to be entered into with the Western Railway read together with the Concession Agreement, the company has to bear the expenses incurred by Western Railway on the operation and maintenance of the Bharuch-Samni-Dahej section and the additional line from Bharuch to Chavaj. The company has recognized operating expenses of Rs 1,772.70 Lakhs (During the F.Y 2021-22 Rs 949.85 Lakhs) for the period from April 2022 to March 2023 as advised by the Western Railway on provisional basis in terms of the Operation & Maintenance Agreement to be entered into with the Western Railway. The final amount of expenses to be borne by the company could vary.

O&M of Civil Engineering and S&T assets being carried out by the Company with a few other related activities except OHE maintenance. Accordingly, the company has recognized O&M expenses on activities retained by BDRCL related to Civil Engineering, S&T assets and other activities on railway section amounting to Rs 1,934.35 Lakhs (During the F.Y 2021-22 Rs 1,511.77 Lakhs) for the period ending March 31, 2023.

The above amount also includes Operation & Maintenance expenses on the extended section of the line from Bharuch to Chavaj for the Financial Year 2022-2023 as advised by the Western Railway on provisional basis.

Notes forming part of the Financial Statement for the year ended March 31, 2023

23 Employee Benefits Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Salary and Allowances	65.85	73.51
Staff welfare expenses	29.83	26.90
Contributions to Provident fund and other Funds	36.82	17.24
Gratuity (Refer Note 46)	43.25	2.19
Leave Encashment (Refer Note 46)	2.64	3.51
<b>Total</b>	<b>178.39</b>	<b>123.35</b>

23.1 During the year ended March 31, 2023 there are only six employees in the company who are employed on long term basis. All other employees were appointed by the company for a period of six/twelve months only subject to further extension from time to time, if required.

23.2 Gratuity Expense include Gratuity paid to some Contractual staffs who were working in the company for last 10 years and claimed Gratuity at the time of leaving the company also provision has been made for contractual employees during the year.

24 Finance Cost

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Interest Expenses</b>		
Term Loan	301.69	609.56
Other Interest Expenses	0.03	0.06
Unwinding of discount on deferred overhead charges	-	143.69
Interest on Deferred Overhead Cost (Refer Note 13.3)	223.53	-
Interest expenses on lease liability	0.39	2.09
<b>Total</b>	<b>525.64</b>	<b>755.40</b>

24.1 Finance cost include interest paid to bank on Term Loan amounting to Rs 301.69 lakhs (During the F.Y 2021-22 Rs 609.56 lakhs) for the year ended March, 31 2023.

25 Depreciation and Amortisation

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Depreciation on Property, Plant and Equipment (Refer Note 3)	6.32	7.51
Depreciation on Right of Use Assets (Refer Note 4)	8.38	15.93
Amortisation of Intangible Assets (Refer Note 5)	1,339.20	1,330.03
<b>Total</b>	<b>1,353.90</b>	<b>1,353.47</b>



# Bharuch Dahej Railway Company Limited

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## Notes forming part of the Financial Statement for the year ended March 31, 2023

### 26. Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Power & Fuel	2.52	2.28
Repairs and Maintenance	2.62	2.12
Legal and Professional Fees	35.86	30.19
Auditor Remuneration-		
Audit Fees	3.72	3.72
Tax Audit Fees	0.60	1.21
Out of Pocket expenses	-	-
Internal Audit Fees	2.14	2.14
Printing & Stationery	3.10	2.35
Meeting & Conference	3.54	6.28
Communication Expense	1.10	0.94
Travelling Expense	32.19	29.09
Rates & Taxes	0.09	0.43
Rent	28.60	18.87
Advertisement Expenses	5.40	-
Housekeeping Expenses	4.36	3.74
Staff Outsourcing Expenses	8.89	4.79
Insurance Charges	1.77	1.77
Miscellaneous Expense	5.15	6.36
Sweets & Gifts	4.23	3.01
Corporate Social Responsibility	18.14	14.22
Provision for bad debts	516.51	-
<b>Total</b>	<b>680.53</b>	<b>133.51</b>

### 27 Exceptional Items

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Refund & Reversal of Excess Billing	-	2,239.71
<b>Total</b>	<b>-</b>	<b>2,239.71</b>

As per the Railway Board order no 2017/Infra/12/20 dated 22-11-2017, the calculation of overhead on indirect cost should be based on the principle adopted by Western Railway (WR) in case of PRCL (Pipava Railway Company Limited). In order to give impact of the same, the Western Railway vide order no. BRC/BR/BDRCL/O&M/2021-22 dated 08-02-2022 revised Operation & Maintenance Cost and Overhead Cost for the period Nov'17 to March'20. The amount of expenditure for the said period was Rs 2,677.23 lakhs towards staff cost & Rs 1,568.40 lakhs towards overhead cost respectively. The revised amount computed by WR is Rs 1,644.89 lakhs & Rs 361.04 lakhs respectively. Accordingly, the amount of refund towards staff cost is Rs 1,032.34 lakhs and reversal of Rs 1,207.37 lakhs.

Notes forming part of the Financial Statement for the year ended March 31, 2023

28 Taxes

28.1 Income tax recognised in profit and loss

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
<b>Current Income Tax Expenses</b>		
Current Tax on profits for the years	494.55	-
Adjustments in respect of current income tax of previous year		
<b>Total Current Tax Expenses</b>	<b>494.55</b>	<b>-</b>
<b>Deferred Income Tax Expense</b>		
In respect of the current year (For details Refer Note no 15)	833.89	(368.98)
<b>Total Deferred Tax Expenses</b>	<b>833.89</b>	<b>(368.98)</b>
<b>Income tax expenses attributable to continuing operations</b>	<b>1,328.44</b>	<b>(368.98)</b>

The Government of India has announced concessional tax regime under Section 115BAA enacted from 27th March 2020 under the Income Tax Act, 1961 and Company has adopted the same from FY 21-22. Accordingly, the tax liability for FY 2022-23 has been determined as per the applicable provisions under Section 115BAA. The applicable tax rate from the FY 2021-22 is 25.17%.

28.2 Tax related to items recognised in OCI during the year:

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Net loss/(gain) on remeasurements of defined benefit plans (Refer Note 15)	(0.26)	0.02
<b>Income tax charged to OCI</b>	<b>(0.26)</b>	<b>0.02</b>



**Notes forming part of the Financial Statement for the year ended March 31, 2023**

**28.3 Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March 2022 and 31st March 2023:**

(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Accounting profit before tax from continuing operations	5,255.88	2,537.55
Profit/(loss) before tax from a discontinued operation	-	-
<b>Accounting profit before income tax</b>	<b>5,255.88</b>	<b>2,537.55</b>
At India's statutory income tax rate of 25.17% (31st March 2022 25.17%)*	1,322.90	638.65
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable</b>	<b>-</b>	<b>-</b>
Add: Tax effect for IndAS Adjustments	(1.71)	(73.87)
Add: Non deductible items	4.57	3.59
Add : Impact of reversal of Unabsorbed depreciation and Business Loss	-	(605.70)
Add : Impact of Tax Rate Change and others	2.68	(331.66)
<b>At the effective income tax rate</b>	<b>1,328.44</b>	<b>(368.98)</b>
Income Tax expenses reported in statement of profit and loss for current year	1,328.44	(368.98)
Tax expenses for previous year recognised	-	-
<b>Income tax expenses reported in statement of Profit and loss</b>	<b>1,328.44</b>	<b>(368.98)</b>
<b>Effective Tax Rate</b>	<b>25.28%</b>	<b>-</b>

**29 Components of Other Comprehensive Income (OCI)**

The disaggregation of changes to OCI by each type of reserve in equity is shown below: (₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Remeasurements of defined benefit plans	1.02	(0.07)
Tax component of remeasurements of defined benefit obligation	(0.26)	0.02
<b>Total</b>	<b>0.76</b>	<b>(0.05)</b>

Remeasurements of defined benefit plan includes Rs 1,02,357/- towards actuarial gain (Previous Year loss Rs 7,438/-) on Projected benefit obligation.

Notes forming part of the Financial Statement for the year ended March 31, 2023

30 Earnings per share (EPS)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
	(₹ per share)	(₹ per share)
<b>Basic EPS</b>		
From continuing operation	2.53	1.87
<b>Diluted EPS</b>		
From continuing operation	2.53	1.87

30.1 Basic Earning per Share

Basic EPS are calculated by dividing the profit for the year attributable to equity holders of the company by weighted average number of equity shares outstanding during the year.

The earning and weighted average number of equity share used in calculation of basic earning per share:  
(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Profit attributable to equity holders of the company (Rs. In lakhs)	3,927.44	2,906.53
Earnings used in calculation of Basic Earning Per Share (Rs. In lakhs)	3,927.44	2,906.53
<b>Weighted average numbers (In Lakhs) of shares for the purpose of basic earnings per share</b>	<b>1,551.10</b>	<b>1,551.10</b>

30.2 Diluted Earning per Share

The earnings and weighted average number of equity shares used in calculation of diluted earning per share:-  
(₹ in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Profit attributable to equity holders of the company (Rs. In lakhs)	3,927.44	2,906.53
<b>Earnings used in calculation of diluted earning per share (Rs. In lakhs)</b>	<b>3,927.44</b>	<b>2,906.53</b>

The weighted number of equity shares for the purpose of diluted earning per share reconciles to the weighted average number of equity shares used in calculation of basic earning per share as follows:  
(in Lakhs)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Weighted average number (in Lakhs) of Equity shares used in calculation of basic earnings per share	1,551.10	1,551.10
Effect of dilution:	-	-
Share Options		
<b>Weighted average number (in Lakhs) of Equity shares used in calculation of diluted earnings per share</b>	<b>1,551.10</b>	<b>1,551.10</b>



**Notes forming part of the Financial Statement for the year ended March 31, 2023**

**31 Disclosure of Ind As 115 “Revenue from Contracts with Customers”**

**31.1 Service Concession Arrangements**

Public-to-private service concession arrangements are recorded according to Appendix “D” Service Concession Arrangements” IND-AS-115 . Appendix “D” Service Concession Arrangements applies if:

- a) The Grantor controls or regulates which services the operator should provide with the infrastructure, to whom it must provide them, and at what price; and
- b) The Grantor controls through ownership, beneficial entitlement, or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement.

If both of the above conditions are met simultaneously, an intangible asset is recognized to the extent that the operator receives the right to charge users of the public service, provided that these charges are conditional on the degree to which the service is used.

These intangible assets are initially recognized at cost, which is understood as the fair value of the service provided plus other direct costs directly attributable to the operation. They are then amortized over the term of the concession.

**Description of Arrangement**

The Bharuch Dahej Railway Company Limited (Company) has entered into a Concession Agreement with Ministry of Railways (MoR), Government of India dated June 25, 2008 in terms of which the Ministry of Railways (Grantor) has authorized the Company (Operator) to develop, finance, design, engineer, procure, construct, operate and maintain the Project Railway and to exercise and/or enjoy the rights, powers, benefits, privileges authorizations and entitlements upon its completion. In terms of the said agreement BDRCL has an obligation to complete construction of the project railway and to keep the project assets in proper working condition including all projects assets whose life have expired.

The concession period is determined with reference to attainment of NPV payback benchmark at the rate of return of 14%.The concession period shall be 30 years of operation or till the NPV payback equal to equity investment is reached, whichever is earlier. In case the NPV payback is reached earlier than 30 years, the concession agreement would stand terminated and the project line would be re-possessed by railway.

At the end of concession period, the project assets shall be hand over by BDRCL to MOR and BDRCL shall be entitled to receive and MOR shall pay to BDRCL an amount equal to the Book value of new assets and additional facilities created by the BDRCL. The original existing assets leased to BDRCL by MOR shall revert back to MOR. The fresh land acquired by MOR and leased to BDRCL shall also revert back to MOR on payment of an amount equal to the cost of acquisition.

In terms of the above agreement upon expiry of 30 years of operation the concession period shall be extended by an equal period of time which corresponds to the period for which material disruption of operation and maintenance occurred during the concession period. However, such extension will be limited to provision that if NPV payback equal to equity investment is reached earlier than the period so extended, the concession period would stand terminated.

In case of material breach in terms of the agreement the MOR and BDRCL both have the right to terminate the agreement if they are not able to cure the event of default in accordance with such agreement.

In terms of the draft Operation and Maintenance Agreement to be entered into with the Western Railway read together with the Concession Agreement, the company has to bear the expenses incurred by Western Railway on the operation and maintenance of the Bharuch-Samni-Dahej section and the additional line from Bharuch to Chavaj.

Sections: (a) Bharuch Station to Dahej Station measuring approximately 61.60 kms,

(b) Bharuch station to Chavaj Station measuring approximately 5.52 kms,

## Notes forming part of the Financial Statement for the year ended March 31, 2023

### Revenue recognise from contract with customer:

For the period ended 31st March, 2023 the company has recognized revenue of Rs 12,312.36 Lakhs (31st March 2022 Rs 5,119.11 Lakhs), consisting of Rs 564.14 Lakhs (31st March 2022 Rs 276.31 Lakhs) on construction of intangible assets under service concession arrangement Rs 11,748.22 Lakhs (31st March 2022 Rs 4,842.80 Lakhs) towards sharing of apportioned earnings from operation of railway line under service concession arrangement & Terminal Charges. Company has recognized Profit before tax of Rs 5,255.88 Lakhs (31st March 2022 Profit of Rs 2,537.55 Lakhs), consisting nil profit/loss on construction of intangible assets under service concession arrangement and a Profit before tax of Rs 5,255.88 lakhs (31st March 2022 profit of Rs 2,537.55 Lakhs) towards sharing of apportioned earnings from operation of railway line under service concession arrangement. The company has recognized an intangible asset of Rs 564.14 Lakhs during the period ended 31st March, 2023 and Rs 276.31 Lakhs, in F.Y.2021-22. The intangible asset under development represents the freight sharing rights under development to receive freight traffic earnings under service concession agreement. The company has recognized receivable under service concession arrangement measured at a amortized cost of Rs 70.19 Lakhs (31st March 2022 of Rs 63.37 Lakhs).

### 31.2 IND AS-115 Disclosures

The Company has adopted IND AS 115 Revenue from contracts with customers w.e.f. 01-04-2018.

### 31.3 Disaggregation Of Revenue

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Income From Railway Operation	11,748.22	4,842.80
Construction Contract Revenue under SCA	564.14	276.31
<b>Total</b>	<b>12,312.36</b>	<b>5,119.11</b>

### Contract balances

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Trade receivables	6,687.14	4,779.40
Contract assets	-	-
Contract liabilities	-	-

### Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Trade Receivables at the beginning of the year	4,779.40	3,670.87
Net Revenue Recognized during the year	11,748.22	4,842.80
Adjustments	-	-
Payment received during the year	9,840.48	3,734.27
<b>Closing Balance of the Trade Receivables</b>	<b>6,687.14</b>	<b>4,779.40</b>

- 'Trade Receivable' includes a sum of Rs 125 Lakh (approx) deducted from apportioned revenue by Western Railway on account of land lease charges upto 31st March 2018. In accordance with Railway board letter dated 22.11.2017 the same is now recoverable from western Railway.
- The revenue and expenses apportioned as above by the Western Railway are on provisional basis and the final figures may vary. Further the amount of net receivable as on 31st March 2023 being Rs 6,653.97 Lakhs [31 March 2022 being Rs 4,755.61 Lakhs] is subject to confirmation by the Western Railway.
- Income is apportioned by the Railway and Recognized by Company on the basis of IRFA Rules and various circulars issued by Railway Board from time to time.





**Notes forming part of the Financial Statement for the year ended March 31, 2023**

**Contract Assets**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Contract Asset at the beginning of the year	-	-
Transfer from Contract Asset to Trade Receivable and increase as a result of changes in measure of progress	-	-
Contract Asset at the end of the year	-	-

Impairment loss recognized on any receivables or contract assets arising from an the company's contracts with customers is Nil during the year.

The amount of the Contract assets is NIL as it is covered under the SCA (Service Concession Arrangement) with the western railways and the concession period is not completed at the date of the initial application.

**Contract Liabilities**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Contract Liabilities at the beginning of the year	-	-
Transfer from Contract Liabilities to Revenue and increase as a result of changes in measure of progress	-	-
Contract Liabilities at the end of the year	-	-

There was no revenue recognized in the current reporting period that related to performance obligations that were satisfied in a prior year.

**32 Capital management**

The company objective to manage its capital in a manner to ensure and safeguard their ability to continue as a going concern so that company can continue to provide maximum return to share holders and benefit to other stake holders

Further, company manages its capital structure to make adjustments in light of changes in economic conditions and the requirements of the financial covenants. The company maintain an optimal capital structure of Debt equity to reduce the cost of capital. The company's debts includes interest bearing borrowings from banks.

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Borrowing (Note No. 13)	1,577.85	6,397.44
<b>Net debt</b>	<b>1,577.85</b>	<b>6,397.44</b>
Equity (Note No. 11)	15,511.00	15,511.00
Other equity (Note No. 12)	9,529.00	5,911.02
<b>Total equity</b>	<b>25,040.00</b>	<b>21,422.02</b>
<b>Net Debt to equity ratio</b>	<b>06:94</b>	<b>23:77</b>

No changes were made in the objectives, policies or processes for managing capital during the period ended 31st March 2023

**Notes forming part of the Financial Statement for the year ended March 31, 2023**
**33 Fair Value Measurements**

(i) The carrying amount of financial Instruments by Category are as follow: (₹ in Lakhs)

Particulars	31st March 2023			31st March 2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
(i) Receivable from Western Railways under Service concession arrangement	-	-	70.19	-	-	63.37
(ii) Trade Receivables	-	-	6,687.14	-	-	4,779.40
(iii) Cash and cash equivalents	-	-	2,312.29	-	-	2,159.04
(iv) Bank Balances other than (iii) above	-	-	87.51	-	-	-
(v) Security Deposits	-	-	16.41	-	-	16.70
(vi) Others	-	-	1.71	-	-	517.62
<b>Total Financial Assets</b>	-	-	<b>9,175.25</b>	-	-	<b>7,536.13</b>
<b>Financial Liabilities</b>						
(i) Borrowings	-	-	1,577.85	-	-	6,431.24
(ii) Trade Payables	-	-	3,609.67	-	-	2,342.05
(iii) Other financial liabilities	-	-	183.50	-	-	130.34
<b>Total Financial Liabilities</b>	-	-	<b>5,371.02</b>	-	-	<b>8,903.63</b>

(ii) Comparison by class of the carrying amounts and fair value of the company's financial instruments, other than those with carrying amounts that are reasonable approximates their fair values are not presented since fair value of all financial instruments as on reporting date approximates their carrying value.

(₹ in Lakhs)

Particulars	31-Mar-23		31-Mar-22	
	Carrying Value	Fair value	Carrying Value	Fair value
<b>Financial Assets</b>				
(i) Receivable from Western Railways under Service concession arrangement	70.19	110.12	63.37	99.96
<b>Financial Liability</b>				
Trade Payables (deferred Overhead Charges)	2,920.75	2,920.75	1,960.49	1,960.49
	<b>2,990.94</b>	<b>3,030.87</b>	<b>2,023.86</b>	<b>2,060.45</b>

(iii) The carrying amount of trade receivables, cash and cash equivalents and other short term receivables and other financial liabilities are considered to be the same as their fair values, due to short term nature.



**Notes forming part of the Financial Statement for the year ended March 31, 2023**

- (iv) Long term variable rate borrowings are evaluated by company on parameters such as interest rates, specific country risk factors and other risk factors based on this evaluation the fair value of such payables are not materially different from their carrying amount.
- (v) The amortised cost of receivables from railways under service concession arrangement were calculated based on cash flows discounted using lending rate.

**Fair Value hierarchy as on 31-03-2023**

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial assets at Amortized Cost	-	-	110.12	<b>110.12</b>
Receivable from Western Railways under service concession arrangement	-	-	-	-
<b>Financial Liability</b>				
Trade Receivables	-	-	2,920.75	<b>2,920.75</b>

**Fair Value hierarchy as on 31-03-2022**

(₹ in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial assets at Amortized Cost	-	-	99.96	<b>99.96</b>
Receivable from Western Railways under service concession arrangement	-	-	-	-
<b>Financial Liability</b>				
Total Financial Liabilities	-	-	1,960.49	<b>1,960.49</b>

**Financial risk management**

The Company's principal financial liabilities comprises trade payables, borrowing and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operation. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is expose to market risk, credit risk and liquidity risk. The company financial risk activities are governed by appropriated policies and procedures and that financial risk are identified, measured and managed in accordance with the companies policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risk, which are summarised below:

**a) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises Interest rate risk. Financial instruments affected by market risk includes deposits and other non derivative financial instruments.

**b) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. The company exposure to the risk of changes in market interest rate relates primarily to the company's exposure to change in market interest rates primarily to the company's long term debt obligation with floating interest rate risk. The company manages its interest risk in accordance with the companies policies and risk objective.

## Notes forming part of the Financial Statement for the year ended March 31, 2023

### c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The company is exposed to credit risk from its financial activities including operating activities (primarily trade receivable) deposits with banks and other financial instruments.

#### (i) Trade Receivable

Customer credit risk is managed by company's established policy, procedure and control relating to customer credit risk management. Outstanding customer receivable are regularly monitored and an impairment analysis is performed at each reporting date on individual basis for major customer. The company does not hold any collateral as security.

#### (ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the company's policy. Investment of surplus are made only with approved counterparty on the basis of the financial quotes received from the counterparty.

### d) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors. The company manages maintaining adequate banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturities of financial liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31st March 2023 and 31st March 2022 :

(₹ in Lakhs)

Particulars	As At 31st March, 2023			
	Less than 1 Year	1-2 years	2-5 Years	5 years and above
Borrowings	-	-	1,567.00	-

Particulars	As At 31st March, 2022			
	Less than 1 Year	1-2 years	2-5 Years	5 years and above
Borrowings	-	5,520.00	877.44	-

## 34 Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year.

### a) Fair valuation measurement and valuation process

The fair values of financial assets and financial liabilities is measured using the valuation techniques including the Discounted cash flow model. The inputs to these methods are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Value of receivable from Western Railway and value of overhead payable is fair value using current lending rate i.e 8.15% (8.25% previous year).



**Notes forming part of the Financial Statement for the year ended March 31, 2023**

**b) Useful life of Property, plant & equipment**

As described in note 2.6, Useful life of property plant and equipment are based on a number of factors including the effects of obsolesces, demand, competition, internal assessment of user experience and other economic factors and level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at each reporting date.

**c) Useful life of Intangible Assets**

As described in note 2.7, company has estimated the useful life of intangible assets (Intangible under service concession arrangement) is 30 years for amortisation of intangible assets, As per service concession arrangement if NPV payback equal to equity investment @14% is reached earlier than 30 years, the concession agreement would stand terminated and the project line would be repossessed by railway.

As described in note 2.7 - Intangible Assets other than freight Sharing right ,company has estimated useful life of 3 years in case of computer software.

The financial impact of the above assessment may impact the amortisation expenses in subsequent financial years.

**d) Defined benefit plan**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity 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 and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change in the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of government bodies in currencies consistent with the currencies of the post-employment benefit obligation.

**e) Taxes**

Deferred tax assets are recognised for unused tax losses to the extent it is probable that taxable profit will be available against which tax assets can be utilized. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

**35 Construction Contracts**

In terms of the disclosure required in IND AS-115 "Construction Contracts" as notified in the companies (Accounting Standard) Rules 2016, the amount considered in the financial statements up to the balance sheet date are as follows :

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Revenue Recognised on exchanging construction services	564.14	276.31
Aggregate amount of costs incurred and recognised	564.14	276.31

**36 Leases Disclosures**

- (i) The Company has lease contracts for its office Buildings. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date either as finance lease or an operating lease. Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases.

**Notes forming part of the Financial Statement for the year ended March 31, 2023**

The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

**(ii) Right of Use Assets**

The carrying amounts of right-of-use assets recognised and the movements during the year are disclosed in Note 4.

**(iii) Lease Liabilities**

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>Opening Balance as to the beginning of the year</b>	10.35	30.64
Additions/adjustments during the year	-	(2.06)
Interest recognised during the year	0.39	2.09
Payment made during the year/total cash outflow for the leases	(10.74)	(20.32)
<b>Closing Balance as on the end of the year</b>	<b>0.00</b>	<b>10.35</b>
<b>Current</b>	-	10.35
<b>Non-current</b>	-	-

**(iv) The details of the Contractual Maturities of the Lease Liabilities as at 31st March 2023 and 31st March 2022 on undiscounted basis are as follows:**

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years and above	2 years
Lease Liabilities	-	-	-
Particulars	Less than 1 year	1-2 years and above	2 years
Lease Liabilities	10.74	-	-

**(v) Amounts recognised in Statement of Profit and Loss**

(₹ in Lakhs)

Particulars	For the period ended 31st March 2023	For the period ended 31st March 2022
Depreciation expense of right-of-use assets (Refer Note 25)	8.38	15.93
Interest expense on lease liabilities (Refer Note 24)	0.39	2.09
Expense relating to short-term leases (Refer Note 26)	28.60	18.87
<b>Total</b>	<b>37.37</b>	<b>36.89</b>

Gain/loss from sale and leaseback transactions is not applicable to the Company.



**Notes forming part of the Financial Statement for the year ended March 31, 2023**

**(vi) Leased Assets from Western Railways**

Western Railway (lessor) has leased all the existing assets as per concession agreement and the land to be newly acquired with all rights, easements for the project to the company (lessee) for the duration of concession agreement.

Company shall pay to the lessor, an annual lease rental of Rs1/- Per Annum, in case of new land acquired by Western Railway and as per extant policy of the Ministry of Railways (as revised from time to time) for the original land of Western Railway, which shall be payable in advance in the first week of January every year. Upon expiry, the Company is required to hand over the leased assets to Ministry of Railways (MoR) free from all encumbrances whatsoever. If the concession period is extended/renewed beyond concession period, the lease agreement shall also to be extended/renewed at terms to be mutually decided by the parties.

The Company has taken lease assets from Ministry of Railways under non-cancellable operating lease.

As rent payable is dependent on the extant policy of Ministry of Railways which changes from time to time, therefore it is not possible for the company to determine and present the future minimum lease rentals payable.

**37 Contingent Liabilities**

**Claims not acknowledged as debts by the company**

- i) The Company had received a Show Cause Notice (SCN) during financial year 2014-15 from tax authorities in the matter of applicability of service tax on the Company in respect of apportioned freight received by the Company from Railways. The SCN covered a period of three years from financial year 2011-12 to financial year 2013-14 and involved service tax of Rs. 1,633 lakhs plus interest and penalties. The Company contested the SCN and submitted its position through a rejoinder thereon to the adjudicating authorities, pleading that no service is rendered by BDRCL to Western Railway that might warrant liability to pay Service Tax. The Company managed to obtain relief from the Commissioner of Service Tax vide her order dated 25.01.2016 and has, therefore, not provided for the amount in the aforesaid claim in its books for the above period. However, the department has filed appeal with CESTAT against the order of Commissioner for the same period, which was contested on similar lines by the Company. CESTAT has passed the order in favour of the Company vide Order No ST/A/50434-50435-50435/2019-CU(DB) dated 25/03/2019 rejected the appeals filed by the department. The department has filed a appeal in Hon'ble Supreme Court against the order of CESTAT in response to the same the Company has submitted a statement in Hon'ble Supreme Court.

The tax authorities issued another SCN to the Company on the same grounds involving a demand of Rs. 1,638 lakhs plus interest and penalties for FY 2014-15. The company has duly submitted its reply to the adjudicating authorities for withdrawal of the claim in the aforesaid SCN on the same grounds as pleaded in the earlier rejoinder. Since the Company's stand is based on sound principles and immutable facts, and it had received a favourable ruling from the Commissioner of Service Tax, on the earlier occasion, it is confident that no additional liability on account of Service Tax will devolve on it. The Company has not yet received any adjudication order in the matter.

Further, the tax authorities issued another SCN to the Company on the same grounds involving a demand of Rs. 1,614.85 lakhs plus interest and penalties for FY 2015-16 on 21st March 2018, the company has duly submitted its reply to the adjudicating authorities for withdrawal of the claim in the aforesaid SCN on the same grounds as pleaded in the earlier rejoinder.

**Notes forming part of the Financial Statement for the year ended March 31, 2023**

Further more, the tax authorities issued another SCN to the Company on the same grounds involving a demand of Rs 899.09 lakhs plus interest and penalties for FY 2016-17 & 2017-18 (Upto Jun-17) on 22th April 2019. The company has duly submitted its reply to the adjudicating authorities for withdrawal of the claim in the aforesaid SCN on the same grounds as pleaded in the earlier rejoinder.

- ii) The O&M expenditure pertaining to Bharuch-Chavaj section has been provided in the financial statements to the extent information provided by Western Railway and information available with the company, remaining O& M will be provided in the year in which information will be received from Railways.
  - iii) Company has terminated some contractual employees, due to misconduct at work place and unauthorised absence from office, Aggrieved by the decision of the company employees have filed application with Labour court for compensation towards their termination. However, based on the facts of the case company expects favourable decision. Further, certain exiting Contractual personnel of Maintenance work have approached Regional Labour Commissioner (RLC) with certain demands. Matter is pending with RLC. Financial impact if any, of same is not ascertainable.
  - iv) The Company has acquired land for its project. The compensation paid at the time of acquisition was on the basis of collector order. Further, some of the person has disputed the compensation and file a case before the Civil Court. The Civil Court order a additional compensation of Rs 315 per sq. meter plus increment @ 12% PA from the 23-11-2010 to date of award plus 30% solatium plus interest @ 9% for one year from date of possession and thereafter @ 15% pa vide order dated 03-02-2018. The amount of compensation determined by the Civil Court is Rs 60.74 Lakhs. The estimated liability of the interest that may arise on the amount of compensation is about Rs 76.81 Lakhs upto 31-03-2020. Against the said order, the Company has filed an appeal in Hon'ble High Court of Gujrat. The Hon'ble High Court of Gujrat has instructed for deposit of the 50% of the amount of claim of Rs 60.74 Lakhs for admitting the appeal. Accordingly, during the FY 2019-20 the Company has deposited a sum of Rs 30.37 lakhs in lieu of the instruction made by Hon'ble High Court of Gujrat and the appeal has been admitted by the Hon'ble High Court of Gujrat.
  - v) The Company has received a claim of Rs 696.62 lakhs from Rail Vikas Nigam Limited (RVNL) pertaining to arbitral award for construction of BDRCL Project under construction agreement for gauge conversion of Bharuch Samni-Dahej Section. The claim of Rs 551.34 Lakh has been accepted and paid by the company. The remaining amount of Rs. 145.28 Lakh has not been accepted by the Company and the necessary facts in this regard have been intimated to RVNL.
- 38** In the opinion of the Board of Directors and to the best of their knowledge and belief, the aggregate value of the Current Assets including Current financial assets on realization in the ordinary course of business will not be less than the amount at which these are stated in the Balance Sheet.

**39 Capital commitment**

Capital commitment is Estimated at Rs 1.87 Crore (31st March 2022 - 1.87 Crore).

**40 Foreign currency transactions**

Expenditure in Foreign Currency	Nil	(Previous period Nil)
Income in Foreign Currency	Nil	(Previous period Nil)





# Bharuch Dahej Railway Company Limited

CIN: U45203DL2006PLC155511

## Notes forming part of the Financial Statement for the year ended March 31, 2023

### 41 Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006 are as follows:-

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Amount remaining unpaid to any supplier:		
Principal amount	60.91	36.80
Interest due thereon	NIL	NIL
(ii) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	NIL	NIL
(iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	NIL	NIL
(iv) Amount of interest accrued and remaining unpaid	NIL	NIL
(v) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	NIL	NIL

### 42 Related Party Disclosures

#### 42.1 Parties to the joint venture agreement

##### (a) Related Parties held equity of company

Name of Party	As at 31st March 2023		As at 31st March 2022	
	Number of shares held in Lakhs	% holding in that class of shares	Number of shares held in Lakhs	% holding in that class of shares
Rail Vikas Nigam Ltd	550.00	35.46%	550.00	35.46%
Gujarat Industrial Development Corp.	178.60	11.51%	178.60	11.51%
Gujarat Maritime Board	178.60	11.51%	178.60	11.51%
Adani Petronet (Dahej) Port Private Ltd	173.30	11.17%	173.30	11.17%
Gujarat Narmada Valley Fertilizers & Chemicals Limited	135.30	8.72%	135.30	8.72%
Hindalco Industries Limited	135.30	8.72%	135.30	8.72%
Dahej SEZ Ltd	100.00	6.45%	100.00	6.45%
Jindal Rail Infrastructure Ltd	100.00	6.45%	100.00	6.45%
	<b>1,551.10</b>	<b>100.00%</b>	<b>1,551.10</b>	<b>100.00%</b>

**Notes forming part of the Financial Statement for the year ended March 31, 2023**
**(b) Key Managerial personnel of the entity**

Name	Designation
Ms. Jaya Verma Sinha (Upto 14.03.2022)	Nominee Director and Chairman
Mr. Sanjay Dungrakoti	Nominee Director
Dr Meenu Dang (upto 17.11.2022)	Nominee Director
Mr. Pradip Kumar Singh (Upto 29.11.2022)	Nominee Director
Mr. Malaiyappan Thennarasan (Upto 02.12.2022)	Nominee Director
Mr. Kalpesh Kiritbhai Vithlani	Nominee Director
Mr. Sajal Mittra	Nominee Director
Mr. Kalpesh Kiritbhai Vithlani	Nominee Director
Mr. Dinesh Kumar (From 29.11.2022)	Nominee Director
Mr. Bansh Narain Singh (From 17.12.2022)	Nominee Director
Ms. Seema Kumar (From 14.03.2023)	Nominee Director and Chairman
Mr. Balkishan Sharma	Chief Financial Officer
Ms. Kanika Mathur	Company Secretary

The office of Managing Director was vacated on 1-10-2018. Accordingly, Co-Ordinating Director, Shri Sanjay Dungrakoti, has been nominated to look after the day to day management of the Company w.e.f. 02-10-2018.

**(c) Disclosure of transaction with related parties:**

(₹ in Lakhs)

Particulars	Transactions (Rs.)	Outstanding Amount Payable/ (Receivable) (Rs.)	Transactions (Rs.)	Outstanding Amount Payable/ (Receivable) (Rs.)
	Year ended March 31, 2023	Year ended March 31, 2023	Year ended March 31, 22	Year ended March 31, 2022
<b>Rail Vikas Nigam Limited</b>				
Expenditure of Vadodara office apportioned	-	-	-	-
Transfer of S&T Material	-	-	-	-
Project expenditure in terms of construction agreement	-	-	-	-
Arbitral Award Payment	540.32	-	-	-
Interim Dividend Paid	99.00	-	-	-
Closing Balance	-	(0.10)	-	(0.10)
<b>Gujarat Industrial Development Corp.</b>				
Amount paid towards Lease	4.25	-	3.72	-
Rent/ Water Charges/Plot/Shed	-	-	-	-
Interim Dividend Paid	32.15	-	-	-
<b>Adani Petronet (Dahej)</b>				
<b>Port Private Ltd</b>				
Loco Hire Charges	2.91	0.48	11.99	-
Terminal Charges	2.22	-	2.56	-
Interim Dividend Paid	31.19	-	-	-
<b>Key Managerial Personnel</b>				
Remuneration	40.94	-	36.88	-
<b>Dividend</b>				
Gujarat Maritime Board	32.15	-	-	-



# Bharuch Dahej Railway Company Limited

CIN: U45203DL2006PLC155511

## Notes forming part of the Financial Statement for the year ended March 31, 2023

Gujarat Narmada Valley Fertilizers & Chemicals Limited	24.35	-	-	-
Hindalco Industries Limited	24.35	-	-	-
Dahej SEZ Ltd	18.00	-	-	-
Jindal Rail Infrastructure Ltd	18.00	-	-	-

### (d) Compensation of key management personnel:

The remuneration of directors and other members of key management personnel during the year was as follows: (₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended 31st March 2022
Short-term benefits	40.94	36.88
Post-employment benefits	-	-
Other long-term benefits	-	-
Share Based Payments	-	-
Termination benefits	-	-
<b>Total</b>	<b>40.94</b>	<b>36.88</b>

### 43 Payment to Auditors

Payment to the Auditors comprises of the following: (₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended 31st March 2022
Audit Fee	3.72	3.72
Tax Audit fees	0.60	1.21
Out of Pocket expenses	-	-
<b>Total</b>	<b>4.32</b>	<b>4.93</b>

### 44 Corporate Social Responsibility

The Company is required to spend Rs. 4.80 lakhs on Corporate Social Responsibility (CSR) during the F.Y 22-23 in accordance with Section 135 of companies Act 2013. The average profit/(loss) of the Company, as per section 198, for the last three years i.e. 2019-20, 2020-21 and 2021-22: Rs 240.32 Lakhs. Accordingly, the CSR liability for FY 22-23 is Rs. 4.81 lakhs (FY 2021-22 Nil). Further, Company has incurred a sum of Rs 18.14 Lakhs during FY 22-23 on CSR activity towards contribution in mobile health clinic. (₹ in Lakhs)

Particulars	FY 22-23	FY 21-22
(i) Amount required to be spent by the company during the year	4.80	Nil
(ii) Amount of expenditure incurred		
<b>Particulars</b>		
Construction / acquisition of any asset	-	
On purposes other than above	18.14	14.21
	<b>18.14</b>	<b>14.21</b>
(iii) Shortfall at the end of the year,	NIL	NA
(iv) Total of previous years shortfall,	NIL	NA
(v) Reason for shortfall,	NA	NA
(vi) Nature of CSR activities	Mobile health clinic	Donation in Swachh Bharat Kosh

**Notes forming part of the Financial Statement for the year ended March 31, 2023**

(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
(viii) where a provision is made with respect to a liability incurred by entering a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

45 The company has only one reportable segment viz. operation of freight traffic. Therefore requirement for segment reporting is not applicable.

46 The company has accounted for the employee's benefit expenses in accordance with Ind AS 19 "Employee Benefits" notified by the Ministry of Corporate Affairs, Government of India. The summarised position of Post-employment benefits and long-term employee benefits recognised in the Statement of Profit and Loss and Balance sheet as per Ind AS 19 are as under-

**46.1 Change in present value of obligation: (₹ in Lakhs)**

Particulars	2022-23		2021-22	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Opening Balance	11.31	17.31	9.05	13.80
Interest Cost	3.51	1.24	0.61	0.93
Current service cost	5.49	2.22	1.58	2.28
Past Service Cost including curtailment Gains/Losses	-	-	-	-
Benefit paid	-	(0.09)	-	-
Actuarial(Gain)/ Loss on obligation	(1.02)	(0.83)	0.07	0.30
<b>Closing Balance</b>	<b>19.29</b>	<b>19.85</b>	<b>11.31</b>	<b>17.31</b>

**46.2 Change in fair value of Plan Assets (₹ in Lakhs)**

Particulars	2022-23		2021-22	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Fair value of Plan Assets at the beginning of the year	-	-	-	-
Expected return on Plan Assets	-	-	-	-
Employer's contribution	-	-	-	-
Benefit Paid	-	-	-	-
Actuarial (loss)/ gain on Obligations	-	-	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**46.3 Amount Recognised in Balance Sheet (₹ in Lakhs)**

Particulars	2022-23		2021-22	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Estimated Present Value of obligations as at the end of the year	19.29	19.85	11.31	17.31
Fair value of Plan Assets as at the end of the Year	-	-	-	-
<b>Net Assets/ (Net Liability) recognized in Balance Sheet</b>	<b>(19.29)</b>	<b>(19.85)</b>	<b>(11.31)</b>	<b>(17.31)</b>



**Notes forming part of the Financial Statement for the year ended March 31, 2023**

**46.4 Expenditure recognised in the Statement of Profit & Loss**

(₹ in Lakhs)

Particulars	2022-23		2021-22	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Current Service Cost	5.49	2.22	1.58	2.28
Past Service Cost including curtailment Gains/Losses	-	-	-	-
Interest Cost	3.51	1.24	0.61	0.93
Net Actuarial (Gain) / Loss recognized in the year	-	(0.83)	-	0.30
<b>Total expenses recognized in the Statement of Profit and Loss</b>	<b>9.00</b>	<b>2.64</b>	<b>2.19</b>	<b>3.51</b>

**46.5 Expenditure recognised in Other Comprehensive Income**

(₹ in Lakhs)

Particulars	2022-23		2021-22	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Net cumulative unrecognized actuarial gain/ (loss) opening	-	-	-	-
Actuarial gain/ (loss) for the year on PBO	1.02	-	(0.07)	-
Actuarial gain/ (loss) for the year on the assets	-	-	-	-
<b>Unrecognized Actuarial gain/ (loss) at the end of the year</b>	<b>1.02</b>	<b>-</b>	<b>(0.07)</b>	<b>-</b>

**46.6 Bifurcation of PBO at the end of year in current and non-current.**

(₹ in Lakhs)

Particulars	2022-23		2021-22	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Current Liability(Amount due with in one year )	1.90	0.57	0.31	0.48
Non-Current Liability(Amount due over one year)	47.09	19.28	10.99	16.83
<b>Total PBO at the end of the year</b>	<b>48.99</b>	<b>19.85</b>	<b>11.30</b>	<b>17.31</b>

**46.7 Principal actuarial assumption at the Balance Sheet Date**

Particulars	2022-23		2021-22	
	Gratuity	Earned Leave	Gratuity	Earned Leave
Discount Rate	7.40%	7.40%	7.18%	7.18%
Expected rate of return on Plan Assets				
Expected rate of Salary Increase	5.50%	5.50%	5.50%	5.50%
Method used	Project Unit Credit		Project Unit Credit	

**Notes forming part of the Financial Statement for the year ended March 31, 2023****46.8 Maturity profile of defined benefit obligation is as follow:**

(₹ in Lakhs)

Period	Effect on Gratuity obligation	Effect on Earned Leave
0-1 year	1.90	0.57
1 to 2 year	0.91	0.42
2 to 3 year	0.93	0.41
3 to 4 year	1.51	0.41
4 to 5 year	0.85	0.40
5 to 6 year	0.82	0.40
6 year onwards	42.07	17.24

**46.9 Sensitivity Analysis For the year ended 31 March 2023**

(₹ in Lakhs)

Particulars	Change in assumptions	Effect on Gratuity obligation	Effect on Earned Leave
Discount Rate	0.50%	(0.99)	(1.62)
	0.50%	1.10	1.76
Salary Growth	0.50%	0.78	1.80
	0.50%	(0.72)	(1.63)

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

**46.10 Mortality Rates for specimen ages**

Mortality rate for both Compensated absences and gratuity are as under-

(₹ in Lakhs)

Age	Mortality rate	Age	Mortality rate	Age	Mortality rate
15	0.000698	45	0.002579	75	0.038221
20	0.000924	50	0.004436	80	0.061985
25	0.000931	55	0.007513	85	0.100979
30	0.000977	60	0.011162	90	0.163507
35	0.001202	65	0.015932	95	0.259706
40	0.00168	70	0.024058	100	0.397733

**46.11** The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employee market.

**46.12** Government of India has notified the payment of Gratuity (Amendment), Act 2018 on 29 March 2018, as per the said notification the maximum Gratuity limit has been increased from Rs 10 Lakhs to Rs 20 Lakhs. The Company provides for Gratuity for employees as per the Payment of Gratuity Act 1972. Employees who are in continuous service for a period of five (5) years are eligible for gratuity. The amount of gratuity payable on retirement/termination of the employees is last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

**46.13** The amount of liabilities is as per the report of a qualified Actuary.

**46.14** Post Employment benefits in form of National Pension Scheme (NPS) are defined contribution schemes : The company has no obligation , other than the contribution @10% of Basic pay plus dearness allowance payable under such scheme and Charges payable for operation of the Pension scheme will be borne by the Company. Company subscribes to Corporate NPS of the Pension Fund Regulatory and Development Authority (PFRDA) for the pension benefits of all regular employees of the company w.e.f. 01.01.2017 during the meeting of Board of Directors held in March 2023 During the year company has recognised contribution of Rs 19.22 Lakhs for the period 01.01.2017 to 31.03.2023.



**Notes forming part of the Financial Statement for the year ended March 31, 2023**

**47 Impairment of Assets**

On the basis of review, the management is of the opinion that the economic performance of non financial assets of the Company is not lower than expected and therefore there is no impairment of any assets as on the Balance Sheet date.

**48 Obligation to Restore project assets to specified level of serviceability**

In terms of Concession agreement, there is an obligation on the Company to keep the project assets in working condition, including making replacement, as per laid down standards of MOR, of all project assets whose codal lives expire during the concession period Accordingly, Company is required to provide for in respect of replacement obligations arising during the remaining concession period as per requirement of Appendix D of the Ind AS 115 for best estimate of expenditure required to settle obligation. However, at present there reliable estimate for restoration obligation is not available, therefore provision for same is not provided in financial statements, the same will be provided in the year in which estimate becomes reliable.

**49 Disclosures pursuant to amendment in Schedule III of the Companies Act 2013:**

The MCA vide notification dated 24th March 2021 has amended Schedule III to the Companies Act. 2013 in respect of certain disclosures which are applicable from 1st April 2021. The Company has incorporated the changes as per the said amendment in the financial statements and below disclosures are made in compliance of the said amendment :

- (i) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the period.
- (ii) The Company has not traded or invested in Crypto Currency or Virtual Currency during the period.
- (iii) The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (iv) The Company do not have any prior period errors to be disclosed separately in statement of changes in equity.
- (v) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (vi) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (viii) The Company does not have any loans and advances in the nature of loans to promoters, directors, KMP and other related parties.
- (ix) The Company has not revalued any item of property, plant and equipment and Intangible Assets.
- (x) The Company does not have any transactions where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date
- (xi) The Company do not have any title deeds of immovable properties not held in name of the company.
- (xii) The Company does not have any investment property.
- (xiii) Company is not required to submit statement of current assets with the bank and therefore reconciliation of the statement filed by the company with bank and the books of accounts is not applicable.
- (xiv) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

**Notes forming part of the Financial Statement for the year ended March 31, 2023**

- (xv) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (xvi) The Company have not entered into any scheme(s) of arrangements during the financial year.
- (xvii) The Company does not have any transaction which is not recorded in the books of accounts that has been subsequently surrendered or disclosed as income during the year as part of the on going tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (xviii) The following accounting ratios are disclosed:

Particulars	Numerator	Denominator	March 31, 2023	March, 31, 2022	% change 25%	Reason for change more than
Current ratio	Current Assets	Current Liabilities	6.32	6.74	-6.35%	NA
Debt-equity ratio	Total Debt	Shareholder's Equity	0.06	0.30	-79.04%	Repayment of Debts During the year
Debt service coverage ratio	Earnings for debt service	Debt service	1.13	2.50	-54.80%	Repayment of Debts During the year
Return on equity ratio	Net Profits after taxes – Pref. Dividend	Average Shareholder's Equity	0.17	0.15	13.33%	Increase in the Profit during the Current Financial Year.
Inventory turnover ratio	Cost of goods sold	Average Inventory	NA			
Trade receivables turnover ratio	Sales	Average Trade Receivable	2.05	1.15	78.26%	Increase in the Turnover during the Current Financial Year.
Trade payable turnover ratio	Purchases	Average Trade Payables	1.32	0.84	57.14%	Increase in the Expenses during the Current Financial Year.
Net capital turnover ratio	Sales	Working Capital	1.49	0.75	98.67%	Increase in the Turnover during the Current Financial Year.
Net profit ratio	Net Profit	Sales	0.32	0.57	-43.86%	Increase in the Profit during the Current Financial Year.
Return on capital employed	Earnings before interest and taxes	Capital Employed	0.10	0.06	66.67%	Increase in the Profit during the Current Financial Year.
Return on investment	NA					

**50** Previous year's figures are reclassified / regrouped to confirm and make them comparable with those of the current year. The details are as under:

Items of Balance sheet before and after reclassification as on 31st March 2022

Particulars	Before reclassification	Reclassification	After Reclassification
Trade Payables			
a) Dues to Micro & Small Enterprises	-	33.80	33.80
b) Dues to Creditors other than Micro & Small Enterprises	839.09	-33.80	805.29





**Notes forming part of the Financial Statement for the year ended March 31, 2023**

**51 Goods and Services Tax**

With effect from 1<sup>st</sup> July 2017, service tax had been subsumed by the Goods and Service Tax (GST). The Company has aligned its stand with that of Ministry of Railway (MoR) and also maintained the same stand, as was taken in the matter of service tax, with respect to applicability of the GST on the share of the freight earning received by the Company from Railways and the Operation & Maintenance Costs recovered by Railways from the Company. Operation and maintenance being done by Railways is interlinked and incidental to its core activity of transportation of cargo provided by Indian Railways to its customers on which tax obligations are fulfilled by Indian Railways. The Company is of the view that no supply is involved by the Company to Railways and vice-versa in sharing of freight revenue & cost by Railways with the Company. Therefore, there are no GST obligations on the Company in respect to sharing of the freight revenue & costs by Railways with the Company including furnishing of the particulars & details for the same.

Indian Railways charges and collects GST on freight amount and deposits the same with the concerned tax authorities including the share of the Company. Thereafter, the Company gets its share out of net freight amount from Railways. Therefore, in view of this, the Company has also contended that tax cannot be levied twice on the same amount (i.e. once on the Railways and again on the Company)

Railway Board issued a directive to Zonal Railway not to initiate suo-moto action for levying GST on apportioned earnings and O&M costs.

Ministry of Railways is taking up the matter with the Finance Ministry, Government of India for issuance of necessary clarifications/ confirmation and resolution of issue in the best interest both for Railways and SPVs in this regard. In its representation, MOR has referred certain facts and aspects for consideration of Ministry of Finance, in giving above clarification, such as:

- a) Agreements between IR and SPVs by nature are prima-facie revenue sharing arrangements and are not the service agreements. Transactions between IR and SPVs are in the nature of raising fund, providing joint service of freight transport and then defying the cost of investments under various revenue sharing agreements.
- b) Activities done by IR and SPVs are part of their obligations as laid down in these sharing agreements to achieve the main and common objective to provide transportation service to the end user.
- c) SPVs do not run trains as a part of business model. IR carries out train operation on its own under the law of Land and collects total freight (along with applicable taxes thereon) from origin to destination point. Tax obligations on the common freight revenue are also discharged by IR itself. Thereafter, common revenue (after discharge of tax obligation thereon) is shared/ distributed by IR with SPVs, after defraying the related costs.
- d) Share of revenue (net after costs) which SPVs are getting from IR is just recovery of cost which SPVs have incurred in laying down of railway lines. Agreements between IR with SPVs are merely instruments/ mechanism for recovery of such cost by SPVs in form of receipt of share of freight earning net after all related costs.
- e) In the above sharing arrangement, IR shares the revenue and costs as per actual without any profit margin.

In the representation, MOR has also made references of latest judicial pronouncements which also verdict that no tax is involved in the sharing arrangement.

The issue at present is under perusal/ consideration of Ministry of Finance through Ministry of Railways. As such the GST liabilities on the Company ( if any) under its sharing arrangement is contingent upon the directive from MoR and relevant provisions in the Concession Agreement.

In view of this, the Company has maintained the position as "Status Quo".

**52 Approval of Financial Statements**

The financial statements were approved for issue by the Board of Directors on 29.08.2023.



महानिदेशक लेखापरीक्षा का कार्यालय  
रेलवे वाणिज्यक, नई दिल्ली  
C/o भारत के नियंत्रक और महालेखा परीक्षक  
Office of the Director General of Audit  
Railway Commercial, New Delhi  
C/o Comptroller and Auditor General of India

4, दीनदयाल उपाध्याय मार्ग, नई दिल्ली 4, Deen Dayal Upadhyaya Marg, New Delhi-110002



संख्या / पी.डी.ए / आर.सी / **AA-BDRCL/78-32/2023-24/291**

दिनांक : 26.09.2023

सेवा में,

प्रबंध निदेशक,  
भरुच दहेज़ रेलवे कंपनी लिमिटेड  
39-42, (तीसरा लोर एच ब्लॉक) इंदरा पैलेस,  
कनौट सर्कस इनर सर्किल,  
नई दिल्ली – 110001

महोदय,

(विषय: 31 मार्च 2023 को समाप्त वर्ष के लिए भरुच दहेज़ रेलवे कंपनी लिमिटेड के वित्तीय विवरणों पर कम्पनी अधिनियम 2013 की धारा 143 (6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखा परीक्षक की टिप्पणियाँ।

मैं, भरुच दहेज़ रेलवे कंपनी लिमिटेड के 31 मार्च 2023 को समाप्त वर्ष के वित्तीय विवरणों पर कम्पनी अधिनियम 2013 की धारा 143 (6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नको सहित प्राप्ति की पावती भेजी जाए।

संलग्न: यथोपरि।

भवदीय,

डॉ. नीलम संजय गोस्वामी  
महानिदेशक (रेलवे वाणिज्यिक)



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARUCH DAHEJ RAILWAY COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2023.**

The preparation of financial statements of Bharuch Dahej Railway Company Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 August 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Bharuch Dahej Railway Company Limited for the year ended 31 March 2023 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

**A. COMMENTS ON PROFITABILITY**

**Statement of Profit and Loss for the year ended 31st March, 2023**

**Profit before Tax- Rs. 5255.88 lakh**

**Other Intangible Assets - Rs. 25934.54 lakh - Note 5**

The 'Other Intangible Assets' includes Rs. 551.34 lakh being the payment made to RVNL, the EPC contractor, in connection with an Arbitration Award on claims made by a sub-contractor.

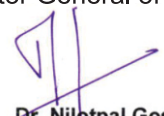
The amount of Rs. 551.34 lakh includes Rs. 209.25 lakh on account of interest awarded by the Tribunal on the claims and Rs. 13.45 lakh as D&G charges on the interest.

The interest paid and the D&G charges are not directly attributable to the creation of assets as per para 66 of Ind AS 38, therefore, it should have been recognized as been charged to the Statement of Profit and Loss instead of being shown under 'Other Intangible Assets'.

This has resulted into understatement of 'Expenses' by Rs. 222.70 lakh and consequently overstatement of 'Profit before Tax' and 'Other Intangible Assets' by the same amount.

Place: New Delhi  
Dated: 26.09.2023

For and on the behalf of the  
Comptroller & Auditor General of India

  
**Dr. Nilotpall Goswami**  
Director General of Audit  
Railway Commercial, New Delhi

S. No.	CAG Comment on Financial Statements	Management Reply
1.	<p>COMMENTS ON PROFITABILITY</p> <p>Statement of Profit and Loss for the year ended 31st March, 2023</p> <p>Profit before Tax- Rs. 5255.88 lakh</p> <p>Other Intangible Assets - Rs. 25934.54 lakh - Note 5</p> <p>The 'Other Intangible Assets' includes Rs. 551.34 lakh being the payment made to RVNL, the EPC contractor, in connection with an Arbitration Award on claims made by a sub-contractor.</p> <p>The amount of Rs. 551.34 lakh includes Rs. 209.25 lakh on account of interest awarded by the Tribunal on the claims and Rs. 13.45 lakh as D&amp;G charges on the interest.</p> <p>The interest paid and the D&amp;G charges are not directly attributable to the creation of assets as per para 66 of Ind AS 38, therefore, it should have been recognized as</p> <p>Expense' in terms of Para 68 of Ind AS 38- Intangible Assets and should have been charged to the Statement of Profit and Loss instead of being shown under Other Intangible Assets</p> <p>This has resulted into under-statement of Expenses by Rs 222.70 lakh and consequently overstatement of Profit before Tax and Other Intangible Assets by the same amount</p>	<p>Transaction as stated in CAG comment is related to arbitration award including interest granted to L&amp;T (i.e. subcontractor of RVNL) and payment of same was made by RVNL to L&amp;T as per the award for BDRCL project.</p> <p>BDRCL awarded construction contract to Rail Vikas Nigam Limited (RVNL) as EPC contractor and RVNL was the executing agency for carrying out all activities including design, procurement, construction etc. Further, RVNL in turn awarded the work to various agencies.</p> <p>BDRCL has no control over selection or monitoring of these agencies, terms of the construction between RVNL and agencies. RVNL raised invoice to BDRCL for project expenditure as cost of construction including D&amp;G charges and claims thereon if any in accordance with Construction Agreement. Cost incurred by RVNL as interest payment to contractors is a part &amp; parcel of the contract condition which has been arisen out of the arbitration award.</p> <p>As per the CAG Comments, the interest paid to L&amp;T as part of arbitration award is not directly attributable to the creation of assets as per para 66 of Ind AS 38.</p> <p>Further, Para 68 of IndAS 38 provides that :</p> <p>"Expenditure on an intangible item shall be recognised as an expense when it is incurred unless: (a) it forms part of the cost of an intangible asset that meets the recognition criteria (see paragraphs 18–67):</p> <p>The above-mentioned para provides an exception to what will be cost of intangible Assets. The above mentioned para provides that in case an expenditure does not constitute as an asset then it will be recognized as expenses.</p> <p>Para 27 of IndAS 38 provides that :</p> <p>The cost of a separately acquired intangible asset comprises: (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and</p> <p>(b) any directly attributable cost of preparing the asset for its intended use</p>



S. No.	CAG Comment on Financial Statements	Management Reply
		<p>Cost incurred by RVNL as interest payment to contractors is a part &amp; parcel of the contract condition which has been arisen out of the arbitration award.</p> <p>In view of the construction agreement and para 27 of IndAs 38, Company has taken the view as follows:-</p> <ol style="list-style-type: none"><li>1. Clause no.12.4 of the Construction Agreement: Any claims and liabilities arising out of the execution of the project shall be settled by RVNL subject to the observances of all the normal rules and regulations of RVNL in force at that time. Cost incurred on this account shall form part of the Completion cost of the Project.</li><li>2. Para 27 of Ind-As 38:- Considering that payments made by BDRCL to RVNL are direct expenditure (i.e. purchase price) towards acquisition of assets falling within the scope of para 27(a), BDRCL considered these payments as part of Intangible Assets.</li></ol> <p>Further, the said interest paid by the Company has not arisen due to any delay payments of BDRCL to RVNL. Accordingly, the Company has capitalized the entire arbitral award as part of the project under the head Intangible Assets as purchase price.</p> <p>Therefore, the Company has adequately capitalized the interest on arbitration award in the financial statements as per the provisions of the Ind-AS and Contract Conditions. Accordingly, there is no impact of same on profit of the Company.</p>



## **BHARUCH DAHEJ RAILWAY COMPANY LIMITED**

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