



Pipavav Railway Corporation Limited
(CIN: U45200DL2000PLC151199)

2.19.2. Subsequent measurement

I. Financial Assets

Financial assets are classified in following categories:

a) At Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and 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.

Following financial assets are measured at amortised cost:

- (i) Trade receivables,
- (ii) Security Deposits,
- (iii) Loans & Advances,
- (iv) Cash & Cash equivalents and
- (v) Other Current Financial Assets.

b) Fair Value through Other Comprehensive Income

Financial assets are subsequently measured at fair value through other comprehensive income, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and 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.

c) Fair Value Through Profit and Loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised in profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless there is a change in the business model to manage these financial assets.

II. Financial liabilities

a) Financial liabilities at Amortised Cost

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within twelve months from the balance sheet date, the carrying amounts reckoned as fair value due to short term maturity of these instruments.

b) Financial liabilities at fair value through Profit and Loss

The Company has not designated any financial liabilities at FVTPL.

2.19.3. Derecognition

I. Financial Asset

The Company derecognizes a financial asset 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.



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II. Financial Liability

A financial liability is derecognized 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

2.19.4. Impairment of financial assets:

The Company reviews and assesses impairment loss allowances on forward looking basis, for expected credit risk associated with its assets carried at amortised cost. The impairment methodology is applied as per Ind AS 109. Expected credit losses is recognized or derecognized as income/expense in the Statement of Profit and Loss based on the review.

2.19.5. Financial instruments measured at Fair Value

- I. 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:
 - (a) In the principal market for the asset or liability, or
 - (b) In the absence of a principal market, in the most advantageous market for the asset or liability.
- II. The principal 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.

2.20. 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).

2.21. Non-current Assets (or disposal groups) 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 sale. Property, plant & 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, are adjusted for depreciation that would have been recognized had that asset not been 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 and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

