



**DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED**  
A GOVERNMENT OF INDIA (MINISTRY OF RAILWAYS) ENTERPRISE

# **Annual Report 2019-2020**

**Regd. Office:** 5th Floor, Supreme Court Metro Station Building Complex, New Delhi-110 001  
Phone No. 91-11-23454890, Fax No. : 91-11-23454701  
Corporate Identity Number (CIN) : U60232DL2006GOI155068

# GENERAL INFORMATION

## REGISTERED OFFICE & CORPORATE OFFICE

5th Floor, Supreme Court Metro Station Building Complex,  
New Delhi-110001

## STATUTORY AUDITOR

S.R. Dinodia & Co. LLP, Chartered Accountants  
K-39, Connaught Place  
New Delhi - 110001

## INTERNAL AUDITOR

Raj Har Gopal & Co., Chartered Accountants  
412, Ansal Bhawan  
16, Kasturba Gandhi Marg  
New Delhi - 110001

## BANKERS

Union Bank of India  
State Bank of India  
HDFC Bank  
ICICI Bank  
Punjab National Bank  
Oriental Bank of Commerce  
Kotak Mahindra  
Yes Bank  
IDFC First Bank  
IndusInd Bank

## CONTENTS

S.No.	Particulars	Page Nos.
1	Chairman's Message	7
2	Notice	9-13
3	Proxy Form	14
4	Directors' Report	16-34
5	A Report of Corporate Social Responsibility (Annexure "A")	35-37
6	A Corporate Governance Report (Annexure "B")	38-52
7	Certification of Financial Statements by Chief Executive Officer & Chief Financial Officer (Annexure "B-1")	53
8	Declaration By Managing Director (Annexure "B-2")	54
9	Certificate of Compliance of Corporate Governance obtained from Practicing Company Secretary (Annexure "B-3")	55
10	A " Management Discussion & Analysis Report" (Annexure"C")	56-62
11	A Secretarial Audit Report from a Company Secretary in Practice (Annexure "D")	63-64
12	Comments of the Comptroller & Auditor General of India (Annexure "E")	65-66
13	Management's Reply on the Comments of the Comptroller & Auditor General of India (Annexure "E-1")	67
14	Financial Statements	69-120
15	Independent Auditor's Report	121-128

## **LIST OF DIRECTORS**

**(AS ON THE DATE OF AGM)**

<b>S.No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Date of holding office w.e.f.</b>
1	Shri Vinod Kumar Yadav	Part Time Chairman (Official)	29.01.2019
2	Shri R. K. Jain	Managing Director	11.12.2020
3	Shri Anshuman Sharma	Director (Project Planning)	05.04.2011
4	Shri Hira Ballabh	Director ( Finance)	05.05.2020
5	Shri Nanduri Srinivas	Director (Operations & Business Development)	15.06.2020
6	Shri Hari Mohan Gupta	Director (Infrastructure)	13.10.2020
7	Shri R. N. Singh	Part time Official Director (Government Nominee-MoR)	20.06.2019
8	Shri B. Ramana Kumar	Independent Director	29.07.2019

## LIST OF DIRECTORS

(AS ON THE DATE OF AGM)



**Sh. Vinod Kumar Yadav**  
Part Time Chairman (Official)



**Sh. R.K. Jain**  
Managing Director



**Sh. Anshuman Sharma**  
Director (Project Planning)



**Sh. Hira Ballabh**  
Director (Finance)



**Sh. Nanduri Srinivas**  
Director (Operations & Business Development)



**Sh. Hari Mohan Gupta**  
Director (Infrastructure)



**Sh. R.N. Singh**  
Part Time Official Director  
(Government Nominee-MoR)



**Sh. B. Ramana Kumar**  
Independent Director





## CHAIRMAN'S MESSAGE

It gives me great pleasure to welcome you all to the 14th Annual General Meeting of the Company. The Directors Report and Audited Financial Statements of the Company for the year ending 31st March 2020 together with the Auditors Report already circulated, are taken as read.

I am happy to report that the Company has achieved a remarkable acceleration in the pace of the implementation of the project during the year. The company achieved many milestones during the year even though the work was hampered in later half of March 2020 due to lockdown announced by the Government of India to prevent spread of COVID-19. Some of the notable achievements are:

- 1.1. Successful running of Goods train in Rewari - Madar section (306 km) of WDFC on trial:** Rewari-Madar section (306 km) was completed in December, 2019 and more than 176 trains have been run in this section upto 31.03.2020.
- 1.2. Successful running of goods train in Bhadan-Khurja section in EDFC-I on trial:** Bhadan-khurja (194 km) section was completed and more than 1200 trains have been run in this section since Nov'2019.
- 1.3. Track linking of 682 km** has been done in the year taking the cumulative linking to 2582 km.
- 1.4. Successful Oscillation run in WDFC:** Oscillation Trials of 25T axle load BOXNS & BLC (Container) wagon at maximum speed of 110kmph successfully conducted by RDSO in Phulera-Ateli section (193 km) of Western DFC. With this, now full DFC is fit to run 25T axle load trains @100 kmph, as against IR's current regime of 22.9 T axle load @ 65-70 kmph.
- 1.5. OHE wiring by Mechanized wiring train has been started for the first time in India in both EDFC & WDFC.** In this process, stringing of contact & category wire is being done simultaneously that too under tension. This facilitates the dropping activity which can follow on immediately thereafter. Each machine is capable of undertaking wiring of 3 km per shift. At present there are 4 wiring trains in EDFC-1 & WDFC. Total 1508 km laying of catenary and contact wire has been completed upto 31.03.2020.
- 1.6. CAPEX:** During the year under review, the Company has achieved CAPEX of ₹12262.65 Crores (Without Land), which is the highest ever in the history of DFCCIL.
- 1.7. Award of Contracts:** With the award of pending 3 system contracts of EDFC in the month of April '20, 100% contracts of WDFC and EDFC have been awarded.
- 1.8. Achievements in Land Acquisition, Environment & Forest Clearances:-**
  - (a) Land acquisition in both EDFC & WDFC is almost complete as on 31.03.2020. The total award u/s 20F declared so far is 11311 Ha of land (WDFC: 5990 ha out of 6000 ha and EDFC: 5321 ha out of 5795 ha) which is approx. 98.5% excluding Sonnagar-Dankuni section and overall 96.8% with compensation amounting to ₹14,022 Crs. till March, 2020.
  - (b) Forest Clearances have been obtained for 206 Ha (mainly 203.8 ha in Hazaribagh, Jharkhand).
  - (c) During the year, 445 Arbitration cases & 123 Court cases in EDFC and 446 Arbitration cases & 83 Court cases in WDFC have been disposed off taking cumulative figure of 11553 Arbitration cases & 1907 Court cases.
  - (d) M/s L&T JV (system Contractor of EDFC-II) has been awarded "ROSPA Award by RoSPA U.K in March 2019 and March 2020 repetitively and BSC International Safety award with Merit Certificate. M/s L&T (Civil Contractor of Lot 303) has been awarded with International Safety Award- 2020 by the British Safety Council. M/s GIL TPL JV (Civil Contractor of Lot .302) has got various awards like OHSSAI "Environment Award" and OH&S and BBS award during the year 2019-20.
- 1.9.** During the year, total 21 ROBs (12 WDFC, 9 EDFC) have been constructed.

1.10. CRISIL has reaffirmed the “**CCR AAA**” rating to DFCCIL. ICRA, a unit of Moody’s has also reaffirmed [**ICRA**] **AAA** rating for DFCCIL. India Ratings & Research, A Fitch Group Company has affirmed Long term issuer rating at **IND AAA** to DFCCIL. CARE, has affirmed **CARE AAA** rating for DFCCIL.

A report on “Corporate Governance” and “Management Discussion & Analysis Report” forms the part of the Annual Report. The Company is committed towards ensuring that business ethics and values are adhered to.

At DFCCIL, Corporate Social Responsibility is envisaged as a commitment to meet its social obligations by playing an active role to improve the quality of life of the communities and stakeholders on a sustainable basis, preferably in the project areas where it is operating. CSR activities during the year includes.

1. Skill intervention in schools to improve the employable skills and physical fitness of the students (through Confederation of Indian Industry-CII).
2. Construction of toilet blocks and installation of computers in schools in Ballia, UP.
3. Provision of dustbins and water coolers with RO installation in villages and schools.
4. Augmentation of community facility.
5. Provision of smart class accessories in aspirational districts (Chandauli) and (Mewat).

I must place on record my sincere appreciation to Ministry of Railways, Zonal Railways, and other Ministries of the Government of India and State Governments, lending agencies, bankers and business associates for their support to DFCCIL. I also thank all the other stakeholders of the company for their support.

Place : New Delhi  
Date : 17.12.2020

Sd/-  
Vinod Kumar Yadav  
Chairman



## NOTICE

NOTICE is hereby given that 14th Annual General Meeting of the Members of Dedicated Freight Corridor Corporation of India Limited (CIN: U60232DL2006GOI155068) will be held on **17.12.2020** at **15:00 Hrs.** in Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001 and as well as through Video Conferencing (VC) or Other Audio Visual Means (OAVM), to transact the following business:

### ORDINARY BUSINESS

- 1. To consider and adopt the audited financial statements of the Company for the year ended 31st March, 2020, together with the Report of the Directors' and Auditors' thereon and comments of the Comptroller and Auditor General of India thereon and pass, with or without modification(s), the following ordinary resolution:**

"RESOLVED THAT members be and hereby consider and adopt the Financial Statements for the year ended on 31st March 2020 comprising Balance Sheet as at 31st March 2020, the Statement of Profit & Loss for the year ended 31st March 2020, Cash Flow Statement for the year ended 31st March 2020 along with Notes thereto, and the Auditors' Reports thereon, as well as the Directors' Report along with its Integral Reports.

- 2. To take note of the appointment of the Statutory Auditor of the Company by adopting the following resolution.**

"RESOLVED THAT members be and hereby took note of the appointment of M/s S R Dinodia and Co. LLP of the Statutory Auditor of the Company for the financial year 2020-2021, by the Comptroller and Auditor General of India, on a remuneration as may be decided, by the Board of Directors on the recommendations of the Audit Committee.

### SPECIAL BUSINESS

- 3. To consider appointment of Shri R. P. Gupta as Nominee Director (NITI Aayog), DFCCIL and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152(2) and other applicable provisions, if any, of the Companies Act 2013 read with the relevant Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment made by the President of India vide Railway Board's order no. 2017/PL/61/5 dated 11.03.2020, of Shri R.P. Gupta, Special Secretary, NITI Aayog, as Part-time Government Director on the Board of the Company with immediate effect till the holding of the post of Special Secretary, NITI Aayog or further orders, whichever is earlier."

"RESOLVED FURTHER THAT the Director Finance/ Company Secretary be and is hereby authorized to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution."

However, Shri R. P. Gupta has already been joined as Secretary/Ministry of Environment, Forest and Climate Change and the formal letter is yet to be received from the MoR.

- 4. To consider appointment of Shri Hira Ballabh, SAG/IRAS as director (Finance) on the board of DFCCIL and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152(2) and other applicable provisions, if any, of the Companies Act 2013 read with the relevant Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment made by the Competent authority vide Railway Board's order no. 2016/E(O)II/40/24 dated 30.04.2020, of Shri Hira Ballabh, SAG/IRAS as Director (Finance) on the Board of Dedicated Freight Corridor Corporation of India Limited with effect from 05.05.2020, for a period of 5 years or till the date of his superannuation or until further orders, whichever is earlier."

"RESOLVED FURTHER THAT the Managing Director/ Company Secretary be and is hereby authorized to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution."

- 5. To consider appointment of Shri Nanduri Srinivasas Director (OP&BD), DFCCIL and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 152(2) and other applicable provisions, if any, of the Companies Act 2013 read with the relevant Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment made by the Competent authority vide Railway Board's order no. 2018/E(O)II/40/3 dated 15.06.2020, of Shri Nanduri Srinivas, IRTS as Director (Operations and Business Development) on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect, for a period of 5 years or till the date of his superannuation or until further orders, whichever is earlier."

“RESOLVED FURTHER THAT the Director Finance/ Company Secretary be and is hereby authorized to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution.”

**6. To consider the entrustment of Additional Charge for the post of Managing Director, DFCCIL to Shri R. N. Singh, PED/Infra, Railway Board, and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 152(2) and other applicable provisions, if any, of the Companies Act 2013 read with the relevant Articles of Association of the Company, the consent of the Company be and is hereby accorded to the additional charge arrangement for the post of Managing Director vide Railway Board’s order no. 2016/E(O)II/40/8 dated 05.08.2020, to Shri R. N. Singh, PED/Infra, Railway Board, pending approval of the Competent Authority, on the Board of Dedicated Freight Corridor Corporation of India Limited with effect from the date of assumption of the additional charge till further orders.”

“RESOLVED FURTHER THAT the Director Finance/ Company Secretary be and is hereby authorized to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution.”

**7. To consider appointment of Shri Hari Mohan Gupta as Director (Infrastructure), DFCCIL and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 152(2) and other applicable provisions, if any, of the Companies Act 2013 read with the relevant Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment made by the Competent authority vide Railway Board’s order no. 2019/E(O)II/40/16 dt, 09.10.2020, Shri Hari Mohan Gupta, IRSE as Director Infrastructure on the Board of the Company on absorption basis for an initial period of three years from the date of his assumption of charge of the post or upto the date of his superannuation or until further orders, whichever is earlier.”

“RESOLVED FURTHER THAT the Director Finance/ Company Secretary be and is hereby authorized to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution.”

**By Order of the Board**

Sd/-

**Meenu Kapoor**  
Company Secretary

Place: New Delhi  
Date: 25.11.2020

**Note:**

- 1) The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 3 -7 of the Notice, are annexed hereto.
- 2) A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company’s Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting.
- 3) The Notice of the AGM along with the Annual Report 2019-20 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### ITEM NO. 3

- 1) Section 152 (2) of the Companies Act, 2013 provides that “Save as otherwise expressly provided in this Act, every director shall be appointed by the company in general meeting. Accordingly, it is mandatory to take the appointments made by the President of India for consent of the Shareholders.
  - 2) **Article 81 of Articles of Association of the Company** (Appointment of Chairman, Chairman-cum-Managing Director, Directors and their terms of Office) **provides –**
    - (1) The President shall have powers to appoint:
      - (a) Full time Chairman or, Part time Chairman, full time Managing Director(s) or a full time Chairman-cum-Managing Director and other full time Directors.
      - (b) The Directors representing the Government of India and / or any State Government; and
      - (c) Other Directors including independent Directors in consultation with the Chairman.
    - (2) The Directors appointed by the President shall hold office until removed by him or until their resignation, retirement, and death or otherwise.
  - (3) In terms of Railway Board’s order no. 2017/PL/61/5 dated 11.03.2020, the President of India appointed Shri R.P. Gupta, Special Secretary, NITI Aayog, as Part-time Government Director on the Board of the Company with immediate effect till the holding of the post of Special Secretary, NITI Aayog or further orders, whichever is earlier.
  - (4) In terms of NITI Aayog OM No. 1/17/2017-Tpt Dated 16.06.2020, addressed to Ministry of Railways, Dr. Rakesh Sarwal, Additional Secretary, NITI Aayog, has been nominated as Part Time Govt. Director of the Board of DFCCIL vice Shri Rameshwar Prasad Gupta, Ex-Special Secretary, NITI Aayog. However a formal order is awaited from the Ministry. Shri Rameshwar Prasad Gupta, Ex-Special Secretary, NITI Aayog ceases to hold the post of Part time Official Director (Government Nominee-Niti Aayog) w.e.f. 01.06.2020.
- No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business except Shri R.P. Gupta.

### ITEM NO. 4

- 1) Section 152 (2) of the Companies Act, 2013 provides that “Save as otherwise expressly provided in this Act, every director shall be appointed by the company in general meeting. Accordingly, it is mandatory to take the appointments made by the President of India for consent of the Shareholders.
  - 2) **Article 81 of Articles of Association of the Company** (Appointment of Chairman, Chairman-cum-Managing Director, Directors and their terms of Office) **provides – Article 81-**
    - (1) The President shall have powers to appoint:
      - (a) Full time Chairman or, Part time Chairman, full time Managing Director(s) or a full time Chairman-cum-Managing Director and other full time Directors.
      - (b) The Directors representing the Government of India and / or any State Government; and
      - (c) Other Directors including independent Directors in consultation with the Chairman.

The Directors appointed by the President shall hold office until removed by him or until their resignation, retirement, and death or otherwise.
  - 3) Vide Railway Board’s order no. 2016/E(O)II/40/24 dated 30.04.2020, competent authority approved appointment of Shri Hira Ballabh, SAG/IRAS as Director (Finance) on the Board of Dedicated Freight Corridor Corporation of India Limited with effect from the date of assumption of charge, for a period of 5 years or till the date of his superannuation or until further orders, whichever is earlier.
- No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business except Shri Hira Ballabh.

## ITEM NO. 5

- 1) Section 152 (2) of the Companies Act, 2013 provides that “Save as otherwise expressly provided in this Act, every director shall be appointed by the company in general meeting. Accordingly, it is mandatory to take the appointments made by the President of India for consent of the Shareholders.

- 2) **Article 81 of Articles of Association of the Company** (Appointment of Chairman, Chairman-cum-Managing Director, Directors and their terms of Office) **provides –**

Article 81-

- (1) The President shall have powers to appoint:

- (a) Full time Chairman or, Part time Chairman, full time Managing Director(s) or a full time Chairman-cum-Managing Director and other full time Directors.
- (b) The Directors representing the Government of India and / or any State Government; and
- (c) Other Directors including independent Directors in consultation with the Chairman.

The Directors appointed by the President shall hold office until removed by him or until their resignation, retirement, and death or otherwise.

- 3) Vide Railway Board’s order no. 2018/E(O)II/40/3 dated 15.06.2020, the competent authority approved appointment of Shri Nanduri Srinivas, IRTS as Director (Operations and Business Development) on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect, for a period of 5 years or till the date of his superannuation or until further orders, whichever is earlier.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business except Shri Nanduri Srinivas.

## ITEM NO. 6

- 1) Section 152 (2) of the Companies Act, 2013 provides that “Save as otherwise expressly provided in this Act, every director shall be appointed by the company in general meeting. Accordingly, it is mandatory to take the appointments made by the President of India for consent of the Shareholders.

- 2) **Article 81 of Articles of Association of the Company** (Appointment of Chairman, Chairman-cum-Managing Director, Directors and their terms of Office) **provides –Article 81-**

- (1) The President shall have powers to appoint:

- (a) Full time Chairman or, Part time Chairman, full time Managing Director(s) or a full time Chairman-cum-Managing Director and other full time Directors.
- (b) The Directors representing the Government of India and / or any State Government; and
- (c) Other Directors including independent Directors in consultation with the Chairman.

The Directors appointed by the President shall hold office until removed by him or until their resignation, retirement, and death or otherwise.

- 3) In terms of Railway Board’s order no. 2016/E(O)II/40/8 dated 05.08.2020, Ministry of Railways, pending approval of the Competent Authority, has decided to entrusted the additional charge for the post of Managing Director/DFCCIL to Shri R. N. Singh, PED/Infra, Railway Board.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business except Shri R. N. Singh.

## ITEM NO. 7

- 1) Section 152 (2) of the Companies Act, 2013 provides that “Save as otherwise expressly provided in this Act, every director shall be appointed by the company in general meeting. Accordingly, it is mandatory to take the appointments made by the President of India for consent of the Shareholders.

- 2) **Article 81 of Articles of Association of the Company** (Appointment of Chairman, Chairman-cum-Managing Director, Directors and their terms of Office) **provides –**

Article 81-

(1) The President shall have powers to appoint:

- (a) Full time Chairman or, Part time Chairman, full time Managing Director(s) or a full time Chairman-cum-Managing Director and other full time Directors.
- (b) The Directors representing the Government of India and / or any State Government; and
- (c) Other Directors including independent Directors in consultation with the Chairman.

The Directors appointed by the President shall hold office until removed by him or until their resignation, retirement, and death or otherwise.

3) In terms of Railway Board's order no. 2019/E(O)II/40/16 dt, 09.10.2020, the Competent authority has approved the appointment of Shri Hari Mohan Gupta, IRSE as Director Infrastructure on the Board of the Company on absorption basis for an initial period of three years from the date of his assumption of charge of the post or upto the date of his superannuation or until further orders, whichever is earlier.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business except Shri Hari Mohan Gupta.

## PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN:**

Name of the Member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Folio No./ Client ID: \_\_\_\_\_

DP ID: I/We being the Member(s) of \_\_\_\_\_ equity shares of ₹1000 each of Dedicated Freight Corridor Corporation of India Limited hereby appoint:

1. Name:

E-mail Id:

Address:

Signature: \_\_\_\_\_ or failing him

2. Name:

E-mail Id:

Address:

Signature: \_\_\_\_\_ or failing him

3. Name:

E-mail Id:

Address:

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the \_\_\_\_\_ Annual General Meeting/ Extraordinary general meeting of the Company, to be held on \_\_\_\_\_ at \_\_\_\_\_ at \_\_\_\_\_ and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution No.

1.

2.

3.

Signed: this \_\_\_\_\_ day of \_\_\_\_\_

Signature of shareholders: \_\_\_\_\_

Signature of the Proxy holder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



**Dedicated Freight Corridor**

**DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED**

**Registered & Corporate Office:**

5th Floor, Supreme Court, Metro Station Building Complex, New Delhi-110001.

(CIN : U60232DL2006GOI155068)

**ATTENDANCE SLIP**

Registered Folio : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I/ we hereby record my/our presence at the 14th Annual General meeting of the Company in Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001 on **17th Day of December 2020 at 15:00 Hrs.**

Signature of the Shareholder/Proxy Present: \_\_\_\_\_



# DIRECTORS' REPORT

Ladies /Gentlemen,

Your Directors have pleasure in presenting the Fourteenth Directors' Report of the Company along with the Financial Statements for the year ended 31st March 2020.

The activities of Dedicated Freight Corridor received tremendous boost during 2019-2020 under the guidance and support from the Ministry of Railways. The company achieved many milestones during the year even though the work was hampered in later half of March 2020 due to lockdown announced by the Government of India to prevent spread of COVID-19.

## HIGHLIGHTS

- 1.1. Successful running of Goods train in Rewari- Madar section (306 km) of WDFC on trial:** Rewari-Madar section (306km) was completed in December, 2019 and more than 176 trains have been run in this section upto 31.03.2020.
- 1.2. Successful running of goods train in Bhadan-Khurja section in EDFC-I on trial:** Bhadan-khurja (194 km) section was completed and more than 1200 trains have been run in this section since Nov'2019.



**First Heav Haul Train (1.5 km Long) in Khurja-Bhadan Section on 14.09.19**

- 1.3. Track linking of 682 km** has been done in the year taking the cumulative linking to **2582 km**.



**Rail Welding Deport at Rewari-Madar Section**

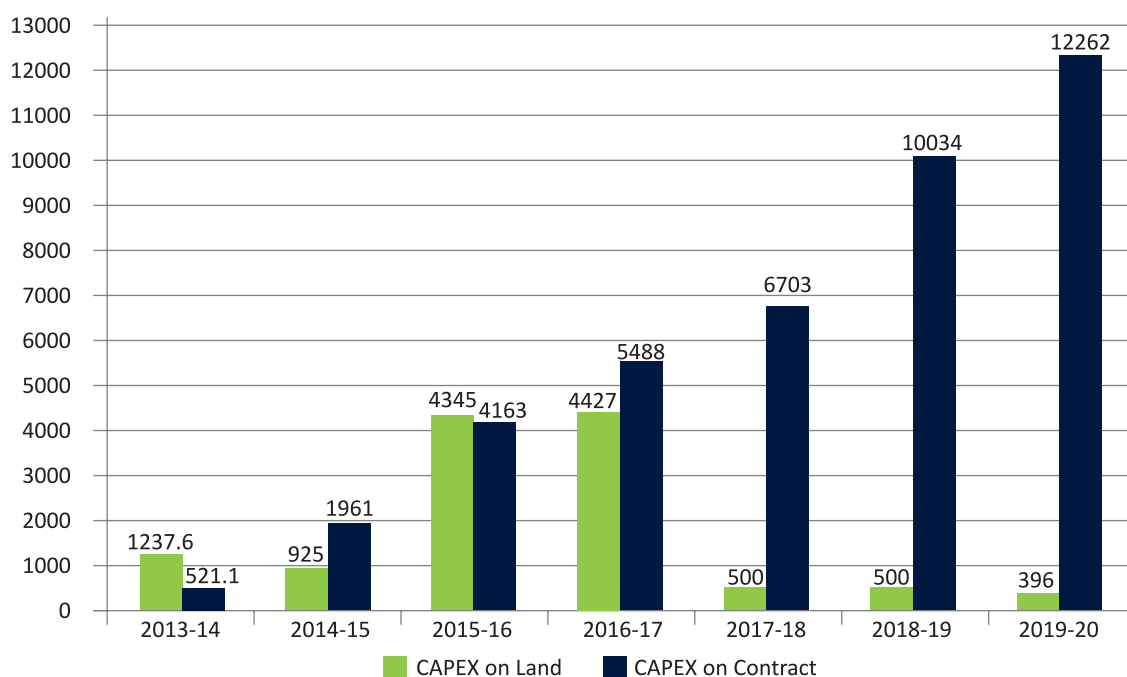


- 1.4. **Successful Oscillation run in WDFC:** Oscillation Trials of 25T axle load BOXNS & BLC (Container) wagon at maximum speed of 110kmph successfully conducted by RDSO in Phulera-Ateli section (193 km) of Western DFC. **With this, now full DFC is fit to run 25T axle load trains @100 kmph, as against IR's current regime of 22.9 T axle load @ 65-70 kmph**



Successful Oscillation trials for 25 tn axle load trains at 110 kmph in Rewari-Phulera section of WDFC on 20.01.2020

- 1.5. **OHE wiring by Mechanized wiring train has been started for the first time in India in both EDFC & WDFC.** In this process, stringing of contact & category wire is being done simultaneously that too under tension. This facilitates the dropping activity which can follow on immediately thereafter. Each machine is capable of undertaking wiring of 3 km per shift. At present there are 4 wiring trains in EDFC-1 & WDFC. Total 1508 km laying of catenary and contact wire has been completed upto 31.03.2020.
- 1.6. **CAPEX:** During the year under review, the Company has achieved CAPEX of ₹12262.65 Crores (Without Land), **which is the highest ever in the history of DFCCIL.**



- 1.7. **Award of Contracts:** With the award of pending 3 system contracts of EDFC in the month of April' 20, 100% contracts of WDFC and EDFC valuing ₹54,184 Cr have been awarded.

## 1.8. Achievements in Land Acquisition, Environment & Forest Clearances:-

- Land acquisition in both EDFC & WDFC is almost complete as on 31.03.2020. The total award u/s 20F declared so far is 11311 Ha of land (WDFC: 5990 ha out of 6000 ha and EDFC: 5321 ha out of 5795 ha) which is approx. 98.5% excluding Sonnagar-Dankuni section and overall 96.8% with compensation amounting to ₹14,022 Crs. till March, 2020.
- 206 ha Forest Clearances was obtained mainly 203.8 ha in Hazaribagh, Jharkhand.
- During the year, 445 Arbitration cases & 123 Court cases in EDFC and 446 Arbitration cases & 83 Court cases in WDFC have been disposed off taking cumulative figure of 11553 Arbitration cases & 1907 Court cases.
- M/s L&T JV (system Contractor of EDFC-II) has been awarded **“ROSPA Award by RoSPA U.K in March 2019 and March 2020 repetitively and BSC International Safety award** with Merit Certificate. M/s L&T (Civil Contractor of Lot 303) has been awarded with **International Safety Award- 2020** by the British Safety Council. M/s GIL TPL JV ( Civil Contractor of Lot 302 ) has got various awards like **OHSSAI “Environment Award” and OH&S and BBS award** during the year 2019-20.

## 1.9. During the year, total 21 ROB's (12 WDFC, 9 EDFC) have been constructed.



Launching of 160 T, 48.5 m open web through girder in Rewari - Dadri Section on 25.01.2020

- CRISIL has reaffirmed the **“CCR AAA** rating to DFCCIL. ICRA, a unit of Moody's has also reaffirmed **[ICRA] AAA** rating for DFCCIL. India Ratings & Research, A Fitch Group Company has affirmed Long term issuer rating at **IND AAA** to DFCCIL. CARE, has affirmed **CARE AAA** rating for DFCCIL.

## 2.1 Financial Statements

Financial Statements for financial year 2019-20 have been prepared in accordance with the Schedule III of the Companies Act, 2013 and are in compliance of Ind AS notified under Companies Act, 2013. The Corporation has incurred the following expenditure during the year 2019-20:

**A) Capital Expenditure on Project Execution**

(₹ in Crores)

Description	As at 31.03.2019	During Financial Year 2019-20	As at 31.03.2020
<b>CAPEX (Without cost of land)</b>			
Tangible assets	17.65	7.65	25.30
Capital work in Progress	25,382.86	12,573.76	37,956.62
Right-of-use assets	–	75.42	75.42
Other Intangible assets	0.09	0.01	0.10
Intangible Assets under development	11.36	6.35	17.71
Capital Advances	6968.2	(400.54)	6,567.66
<b>Total Capex (Without cost of land)</b>	<b>32380.16</b>	<b>12,262.65</b>	<b>44,642.81</b>
COST OF LAND (Borne by MOR)	16,384.42	395.38	16,779.80
<b>Total Capex with cost of land</b>	<b>48,764.58</b>	<b>12,658.03</b>	<b>61,422.61</b>

**B) DEVELOPMENT ACCOUNT**

During the year the balance of Development Account ₹2009.53 Crores has been transferred to Capital work in progress.

(₹ in Crores)

Particulars	For year ended 31.03.2020	For year ended 31.03.2019
Employee benefit expenses	191.56	155.68
Finance cost (Including Interest)	1680.38	916.33
Depreciation & amortization expenses	5.03	2.26
Administration & Other expenses	146.88	71.00
<b>Sub-Total</b>	<b>2023.85</b>	<b>1,145.27</b>
Less : Other Income	14.32	155.42
<b>Total Transferred to CWIP</b>	<b>2009.53</b>	<b>989.86</b>

**A) Dividend**

Your Directors recommend 'No' dividend, as the Company is under construction phase.

- B)** Amount proposed for transfer to reserve: ₹96.45 Cr (loss) (₹91.89 crores through P&L account and ₹4.56 cr towards expenses for issue of shares (net of tax))

**2.2.1 SOURCE OF FUND: Capital Structure**

As on 31st March 2020, the Authorized Share Capital of Company stands at ₹22000,00,00,000 (Rupees Twenty Two Thousand Crores) divided into 22,00,00,000 (Twenty Two Crores) Equity shares of ₹1,000/- each against which paid up share capital is ₹14,076.63 Crores. During the year Paid up Capital of the Company has been enhanced on account of equity contribution from Ministry of Railways for Amount of ₹3,307.90 Crore.

The capital structure of the company (Equity &amp; Borrowings) is as follows:

(₹ in Crores)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>EQUITY FUNDING</b>		
Shareholder's Fund	14,076.63	10,768.73
Other Equity	179.67	530.17
<b>Subtotal</b>	<b>14,256.30</b>	<b>11,298.90</b>
<b>DEBT FUNDING</b>		
JICA	14,322.50	9,764.56
IBRD	8,134.72	5,538.92
<b>Subtotal</b>	<b>22,457.22</b>	<b>15,303.48</b>
<b>Grand Total</b>	<b>36,713.52</b>	<b>26,602.38</b>



## 2.2.2 Debt Funding

- i) **Western Dedicated Freight Corridor - Phase I (Vadodara - Rewari) 947 km & Phase II (Vadodara - JNPT and Rewari - Dadri) 557 km (JICA) -Engineering Services Consultancy.**
  - a. Loan Agreement ID-P205 for 2.606 Billion Japanese Yen for Vadodara - Rewari section (947 km) was signed with JICA and JPY2.086 Billion was drawn till closer of the Loan i.e. on 23.02.2017.
  - b. Loan Agreement ID-P212 for Vadodara - JNPT and Rewari-Dadri section (557 km) for 1.616 Billion Japanese Yen was signed with JICA and JPY 1.224 Billion was drawn till closer of the Loan i.e. on 15.11.2017 .
- ii) **Western Dedicated Freight Corridor - Phase I (Vadodara - Rewari) 947 km (JICA) - Construction.**
  - a. Loan Agreement ID-P209, first tranche for construction in the Phase I, for 90.262 billion Japanese Yen was signed with JICA and JPY 86.095 billion have been utilized in this loan up to 31.03.2020.
  - b. Loan agreement ID-P253, second tranche for 103.664 billion Japanese Yen was signed with JICA on 31-3-2016 and JPY 77.658 billion have been utilized in this loan up to 31.03.2020.
  - c. Loan agreement ID-P288, 3rd tranche for 130.000 billion Japanese Yen was signed with JICA on 27.03.2020. This loan is likely to be effectuated w.e.f.01.12.2020.
- iii) **Western Dedicated Freight Corridor - Phase II (Vadodara - JNPT & Rewari Dadri) -Construction.**
  - a. Loan Agreement ID-P229, first tranche for construction in the Phase II, for 136.119 Billion Japanese Yen was signed with JICA and JPY 64.570 billion have been utilized in this loan up to 31.03.2020.
- iv) **Eastern Dedicated Freight Corridor: Mughalsarai - Kanpur - Khurja-Ludhiana Section (1131 Kms) and Khurja-Dadri Section.**

Initially, World Bank had sanctioned 2.725 Billion USD loan for Eastern Dedicated Freight Corridor from Mughalsarai - Ludhiana and Khurja - Dadri Section. As of now in consultation with DFCCIL, sanctioned loan has been reduced to USD 1.775 billion.

- Loan No. 8066 IN for US\$ 975 million was sanctioned by World Bank for EDFC - 1 from Khurja - Bhaupur (343km) and Loan Agreement was signed on 27.10.2011. Based on requirement and utilization, it was reduced to USD 800 Million w.e.f. 29.06.2017 which has been further reduced to USD 555 Million w.e.f 4.12.2018. USD 530.81 Million was finally utilized by 31.05.2019.
- Loan No. 8318 - IN for US\$ 1100 Million was sanctioned by the World Bank for EDFC Project - 2 from Bhaupur - Mughalsarai. Loan agreement was signed on 11.12.2014. Based on requirement and utilization, it was reduced to USD 910 Million w.e.f. 30.06.2017. It was further reduced to USD 660 Million vide WB letter dated 27.12.2019. USD 455.17 Million has been utilized in this loan up to 31.03.2020.
- Loan No. 8513 -IN for US\$ 650 Million was sanctioned by the World Bank for EDFC Project- 3 from Khurja-Ludhiana. Loan agreement was signed on 21.10.2016. It was reduced to USD 560 Million vide WB letter dated 30.06.2020. USD 148.78 Million has been utilized in this loan up to 31.03.2020.

## 3. STATE OF COMPANY AFFAIRS.

### 3.1 Contracts;

#### A. Contracts awarded during the financial year 2019-20:

##### Eastern Corridor

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Amount of Award	Funded By
1	Consultancy Services for Feasibility Study for Setting up Solar Plant for EDFC & WDFC Network	Consultancy	03.01.2020	INR 67.6 Lakhs	World Bank

##### Western Corridor

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Amount of Award	Funded By
1	Procurement of plant & equipment, PE Package-6	Supply Contract	Provisional LOA has been issued on 04.11.2019.	INR 1158.61 Cr.	JICA

**B. Contract awarded in the current financial year 2020-21:**

SN	Nature of Work	Work/ Consultancy	Funded By
<b>Eastern Corridor</b>			
1	Power, Overhead Electrification along with Signal and Telecom works (System Works) Khurja - Dadri Lot No. 105(46 KM)	System Works	World Bank
2	Power, Overhead Electrification along with Signal and Telecom works (System Works) Pilkhani - Sahnewal Lot 304 (175 KM)	System Works	World Bank
3	Power, Overhead Electrification along with Signal and Telecom works (System Works) Khurja- Pilkhani - Lot 305 (229 KM)	System Works	World Bank
<b>Western Corridor</b>			
1	NIL		

**C. Physical & Financial Progress of the Contracts:****WESTERN CORRIDOR**

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Date of Commencement	Financial Progress	Physical Progress
<b>A.</b>	<b>Civil &amp; Track work package</b>					
1.	<b>CTP-1&amp;2:</b> (Rewari-Iqbalgarh Section - 625 Km)	Work	07.06.2013	30.08.2013	90%	98%
2.	<b>CTP-3(R):</b> (Iqbalgarh-Makarpura, Vadodara Section - 289 Km)	Work	25.02.2016	06.06.2016	41%	55%
3.	<b>CTP-13:</b> (Makarpura, Vadodara-Sachin Section - 131 Km)	Work	22.05.2015	15.10.2015	40%	49%
4.	<b>CTP-12:</b> (Sachin-Vaitarana Section - 186 Km)	Work	22.02.2015	15.10.2015	29%	45%
5.	<b>CTP-11:</b> (Vaitarna-JNPT Section - 102 Km)	Work	15.07.2016	07.03.2017	19%	25%
<b>B.</b>	<b>Special Steel Bridge package</b>					
1.	<b>CTP-3A(R):</b> Design & Construction of Special Steel Bridges across Mahi& Sabarmati Rivers. (Iqbalgarh-Vadodara Section)	Work	26.08.2014	20.11.2014	69%	76%
2.	<b>CTP-15A:</b> Design & Construction of 08 Special Steel Bridges over Water Main and Railways and across Creek and Rivers including Ulhas, Damanganga, Par and Tapi. (JNPT-Makarpura Section)	Work	03.06.2015	15.10.2015	32%	36%
3.	<b>CTP-15B:</b> Design & Construction of Special Steel Bridge across Narmada River with RUB. (Sachin-Vadodara Section)	Work	03.06.2015	15.10.2015	56%	62%
4.	<b>CTP-15C:</b> Design & Construction of 03 Special Steel Bridges over existing Railways and across Rivers Yamuna & Hindon. (Dadri-Rewari Section)	Work	03.06.2015	15.10.2015	89%	95%

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Date of Commencement	Financial Progress	Physical Progress
<b>C.</b>	<b>Integrated package</b>					
<b>1.</b>	<b>CTP-14:</b> Integrated Package of Civil, Building & Track Work, E&M and S&T Works. (Dadari-Rewari Section - 127 Km)	Work	14.10.2016	01.02.2017	47%	48%
<b>D.</b>	<b>Electrical package</b>					
<b>1.</b>	<b>EMP-4:</b> (Rewari-Makarpura Vadodara Section - 914 Km)	Work	18.11.2014	15.05.2015	67%	76%
<b>2.</b>	<b>EMP-16:</b> (Vadodara-JNPT Section - 419 Km)	Work	21.01.2016	02.05.2016	60%	68%
<b>E.</b>	<b>S&amp;T package</b>					
<b>1.</b>	<b>STP-5:</b> (Rewari-Makarpura Vadodara Section - 914 Km)	Work	22.06.2015	11.01.2016	42%	46%
<b>2.</b>	<b>STP-5A:</b> Design & Construction of Train Protection & Warning System (TPWS) ( Rewari-JNPT Section - 1333 Km) i.e. for Phase-I &Phase-II	Work	12.08.2015	01.06.2016	26%	28%
<b>3.</b>	<b>STP-17:</b> (Vadodara-JNPT Section - 419 Km)	Work	13.05.2016	29.08.2016	35%	38%
<b>F.</b>	<b>Project Consultancy Contract</b>					
<b>1.</b>	<b>PMC-1:</b> PMC Services for Phase-I, Rewari-Vadodara Section	Consultancy	21.02.2014	11.04.2014	76%	80%
<b>2.</b>	<b>PMC-2(R):</b> PMC Services for Phase-II (Dadri-Rewari& Vadodara-JNPT Section)	Consultancy	15.02.2016	31.03.2016	49%	52%

#### EASTERN CORRIDOR

S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress	Physical Progress
1	CP - 101 - Civil Works (Khurja - Bhaupur)	Works	14.03.2013	96%	99%
2	CP - 102 - Civil Works (Khurja - Bhaupur)	Works	14.03.2013	98.7%	99.5%
3	CP - 103 - Civil Works (Khurja - Bhaupur)	Works	14.03.2013	99.3%	99.5%
4	CP - 104 - System Works (Khurja - Bhaupur)	Works	03.08.2015	91.53%	94%
5	CP - 201 - Civil Works (Bhaupur - Mughalsarai)	Works	12.05.2015	65.02%	53.3%
6	CP - 202 - Civil Works (Bhaupur - Mughalsarai)	Works	12.05.2015	58.56%	53%
7	CP - 203 - Signaling Works (Bhaupur - Mughalsarai)	Works	23.06.2016	21.9%	19.13%
8	CP - 204 - Electrification Works (Bhaupur - Mughalsarai)	Works	15.06.2016	59%	62%
9	CP- 301 - Civil Works (Sahnewal - Pilkhani)	Works	14.07.2016	36.65%	33.30%
10	CP - 302 - Civil Works (Khurja - Dadri)	Works	14.07.2016	64.4%	69.5%
11	CP - 303- Civil Works (Khurja - Pilkhani)	Works	12.03.2018	33%	25.1%
12	Project Management Consultancy for Bhaupur - Khurja Section of EDFC - 1	Consultancy	31.10.2013	90%	93%

S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress	Physical Progress
13.	QSAC Services Khurja - Bhaupur Section of EDFC - 1	Consultancy	08.05.2014	95%	97%
14.	Project Management Consultancy for Mughalsarai - New Bhaupur Section	Consultancy	01.07.2015	63%	66%
15.	Quality and Safety Audit Consultancy for Mughalsari - New Bhaupur Section	Consultancy	01.12.2015	37%	41%
16.	Project Management Consultancy for construction of Sahnewal - Pilkhani Section	Consultancy	10.10.2016	66%	61%
17.	Quality and Safety Audit Consultancy Services for Sahnewal - Khurja Section and Khurja - Dadri Section	Consultancy	20.03.2017	35%	34%
18.	Project Management Consultant for Khurja - Dadri Section of EDFC	Consultancy	20.03.2018	61%	69%
19.	Project Management Consultant for Khurja - Pilkhani Section of EDFC	Consultancy	20.02.2018	34%	35%

### 3.2 Operation & Business Development

#### a. Connectivity Proposals:

- In-Principle Approval (IPA) accorded to BPCL proposal.
- Detailed Project Report (DPRs) of 3 applicants (CONCOR Swarupganj, Ultratech Nathdwara Cement Ltd., CONCOR Varnama) approved.
- Working Methodology (WM) of 3 applicants (CONCOR Kathuwas, CONCOR-Dadri, Shree Cement) approved.
- Engineering Scale Plan (ESPs) of 6 applicants (CONCOR Varnama, M/s Ultratech Nathdwara Cement Ltd., CONCOR Kathuwas, IWAI Varanasi, CONCOR-Dadri & CONCOR- Swarupganj) approved.
- Signal Interlocking Plan (SIP) of 1 applicant (CONCOR Kathuwas) approved.
- Amendment in DFCCIL Freight Policy related to Brownfield Projects given In Principle Approval by Railway Board.
- Clarification on the DFCCIL policy for Pvt. Siding/PFTs/Port Rail Terminals with respect to 'Deposit Works for connectivity projects of Pvt Sidings, PFTs and Port rail terminals on DFC issued to all CGMs.

#### b. Consultancy Contracts/Tender:

- Financial offers of Consultancy Services on Track Access Charges and Key Performance Indicators (KPIs) on DFCCIL network were opened and finalized.
- Bids opened for ;
  - "Consultancy Services on Feasibility study cum Detailed Project Report (DPR) for Logistics Parks at New Kanpur and New Nilje along the Dedicated Freight Corridors" on 24/01/2020.
  - "Consultancy Services on Track Access Charges and Key Performance Indicators (KPIs) on DFCCIL network" on 31/01/2020.
- EOI for Development of Logistics parks along the DFC alignment at 35 locations floated.

#### c. Meetings/presentations organized:

- Presentation meeting was held on 23/07/2019 with participation of big consultancy companies on TAC. In this meeting, Consultancy firms were requested to suggest their opinions on the scope of work for TOR for consultancy services for TAC calculation.
- Presentation meeting with major Consultancy firms (PWC, KPMG, E&Y & Deloitte) was organized on 15/01/2020 regarding scope of work for Consultancy on Implementation of Business Strategies in DFC.

- c) Presentation given by M/s Adani Logistics on 15/04/2019 in response of EOI submitted by the Adani for development of Freight Terminals at three locations - New Shambhu, New Tundla and New Mirzapur.

**d. Business Development:**

- a) MoU between DFCCIL and CRWC signed on 21.10.2019 regarding development Freight Terminals.
- b) Proposal for Land Acquisition at New Kanpur for Proposed MMLP which has been approved.
- c) 23 Meetings were organized with stakeholders/customers including Nabha Power Limited, DMICDC, parcel operators, automobile and cement industries.

**e. Commercial Activities:**

- a) NOC from Civil Authorities has been received regarding station naming of New Sadhugarh, New Bhaupur, New Kanchausi, New Hathras, New Koderma of EDFC and 7 stations lying in jurisdiction of West Bengal state over EDFC.
- b) Alphabetical and Numerical Code has been allotted by IRCA to New Gulaothi station on EDFC.
- c) Powers of CCMs in Zonal Railway have been delegated to GGM/BD for RBS database and also nominated as custodian for the database.
- d) Inter Station Distances have been notified for New Daudkhan (DAQN) to Daudkhan (DAQ) and New Tundla (TDLN) to Kuberpur (KBP).
- e) Stations of BPUN - KRJN (New Bhaupur -New Khurja) section on EDFC equipped with Commercial Manual and other articles/accessories for commercial operationalization of the section.
- f) Notification for opening of DFC Stations of New Bhadan - New Khurja Jn section has been issued after feeding station data and inter -section distance of BPUN-KRJN section in RBS.

### 3.3 Progress/Status of Land Acquisition

- a) Dedicated Freight Corridor Corporation of India Ltd. (DFCCIL) a Special Purpose Vehicle (SPV) of the Ministry of Railways, Government of India has been entrusted with the responsibility to plan and implement Dedicated Freight Corridor Projects across the country, including the Western DFC connecting Delhi with Mumbai and Eastern DFC connecting Ludhiana with Kolkata. Land Acquisition being the most indispensable element of the project is governed by the Railways Act, 1989. The total land required for the corridors is 11829 Ha, this includes 9674 Hectares of private land and 2155 Hectare of Government land.
  - The Western DFC, land acquisition is spread over a length of 1505 Kms, and an area of about 6000 hectares.
  - The Eastern DFC, is spread over a length 1318 Kms with an area of about 4601 hectares (excluding Sonnagar-Dankuni which is spread in a route of 538 Kms with scope of 1229 hectares).
- b) Land acquisition in both EDFC and WDFC is almost completed as on 31.03.2020. In EDFC, land acquisition has been completed for approximately 99% of the total scope (except Sonnagar-Dankuni section) and more than 95 % on overall basis. For Sonnagar-Dankuni section, 20F for 1043.17 Hectares is declared out of 1229 Hectares. Total compensation amounting to ₹13385 Crores (WDFC- ₹5917 Crores, EDFC- ₹7468 Crores) has been awarded.

### 3.4 DANKUNI-SONNAGAR PPP PROJECT

**Disbursement** - During the financial year 2019-20, disbursement of Rs. 219.25 Crore (Pvt. & Govt. Land) done. Total disbursement in area terms is 217.403 Ha including 13.60 Ha (Pvt. & Govt. Land) and 203.803 Ha (Forest Land).

**Forest Land** - During the financial year, Stage - I clearance of 203.803 Ha of forest land under Hazaribagh district was received.

**Possession** - During the financial year, possession of land taken over from PAPs is 57.24 Ha, from Govt. land is 9.30 Ha and possession of land from Forest Dept. is 203.803 Ha. Thus, total possession to the tune of 270.343 Ha taken over.

**Yard Plans** - During the financial year 2019-20, yard plans of two (2) junction yards namely New Gomoh and New Koderma were got approved.

**Alignment Plans** - During the financial year, all alignment plans to the tune of 524 Kms. out of total 538 Kms. (except 14 Kms. under DDU division) stands approved.



**Divisional Utility Estimates** - During the financial year, Utility estimates from HWH for ₹110.06 Crore, ASN for ₹610.11 Crore, DHN for ₹337.36 Crore and MGS for ₹199.57 Crore were received and processed for arrangement of fund from Railway Board.

**Elect. Utility Estimates** - During the financial year, Approval of Power Line Crossing of M/s PGCIL and BSPTCL for amount of ₹9.20 and 3.57 Crore, total amounting of ₹12.77 Crore was completed.

#### 4. Details of Directors and Key Managerial Personnel.

During the year under review, there were changes in the composition of the Board of Directors of the Company on account of appointments and cessation, which are as follows:

##### 4.1.1 Directors who have joined the Board/extended tenure during the financial year 2019-2020;

- a) In terms of Railway Board's order no. 2017/PL/61/5 dated 17.06.2019, the President of India appointed Shri R. N. Singh, PED/Infrastructure, Railway Board, as Part-time Government Director on the Board of the Company with immediate effect till the holding of the post of PED/Infrastructure, Railway Board, or further orders, whichever is earlier. The date of allocation of Director Identification Number was 20.06.2019.
- b) In terms of Railway Board's order no. 2009/PL/48/1(Pt.3) dated 11.07.2019 the tenure of Shri Ravi Mathur & Smt. Shakti Munshi as Independent Directors on the Board of DFCCIL is extended upto 31.03.2020.
- c) In terms of Railway Board's order no. 2009/PL/50/13/Pt. dated 11.07.2019, the President of India appointed Shri B. Ramana Kumar as Non-official (Independent) Director on the Board of the Company, for a period of three years w.e.f. the date of notification of the appointment, or until further orders, whichever is earlier. The date of allocation of Director Identification Number was 29.07.2019.
- d) In terms of Railway Board's order no. 2013/E(O)II/40/4 dated 09.09.2019, Shri Anurag Kumar Sachan, MD/DFCCIL, has been entrusted to the additional charge of the post of Director/Infrastructure, in addition to his own, for a period of three months w.e.f. 18.09.2019 or until a regularly selected incumbent joins the post or until further orders, whichever is earliest.
- e) In terms of Railway Board's order no. 2017/PL/61/5 dated 11.03.2020, the President of India has appointed Shri Rameshwar Prasad Gupta, Special Secretary, NITI Aayog as Part time Government Director on the Board of the Company with immediate effect till he holds the post of Special Secretary, NITI Aayog or further orders, whichever is earlier. However, in terms of NITI Aayog OM No. 1/17/2017-Tpt Dated 16.06.2020, addressed to Ministry of Railways, Dr. Rakesh Sarwal, Additional Secretary, NITI Aayog, has been nominated as Part Time Govt. Director of the Board of DFCCIL vice Shri Rameshwar Prasad Gupta, Ex-Special Secretary, NITI Aayog. However a formal order is awaited from the Ministry.

##### 4.1.2 Directors cease to be hold office during the financial year 2019-2020.

- a) In terms of Railway Board's order no. 2017/PL/61/5 dated 17.06.2019, Shri Sushant Kumar Mishra, PED/Infrastructure, Railway Board, as Part-time Government Director on the Board of the Company ceases to hold the office of Part-time Government Director w.e.f. 20.06.2019.
- b) In terms of Railway Board's order no. 2013/E(O)II/40/4 dated 09.09.2019, Shri D. S. Rana, Director/Infrastructure has been relieved from DFCCIL w.e.f 18.09.2019 at his request to join as CMD, Engineers Project India Limited w.e.f. 18.09.2020.

##### 4.1.3 The following Director who have joined after the closure of financial year 2019-2020.

- a) In terms of Railway Board's order no. 2016/E(O)II/40/24 dated 30.04.2020 read with the Northern Railway's Office Order No. 2020/Dy.CAO/ G/ SAG/ HAG/ Trf.Posting(L) dated 05.05.2020, the Competent Authority appointed Shri Hira Ballabh, SAG/IRAS as Director (Finance) on the Board of Dedicated Freight Corridor Corporation of India Limited for a period of 5 years with effect from the date of assumption of charge of the post or till the date of his superannuation or until further orders, whichever is earlier.
- b) In terms of Railway Board's Order no. 2018/E(O)II/40/3 dated 15.06.2020, the Competent Authority has approved appointment of Shri Nanduri Srinivas, IRTS as Director (Operations & Business Development), on the Board of Dedicated Freight Corridor Corporation of India Limited (DFCCIL) on immediate absorption basis for a period of 5 years with effect from the date of assumption of charge of the post or till the date of his superannuation or until further orders, whichever is earlier.
- c) In terms of Railway Board's order no. 2016/E(O)II/40/08 dated 05.08.2020, the Competent Authority has approved entrustment of the additional charge of the post of Managing Director, DFCCIL to Shri R.N. Singh, IRSE, PED/Infrastructure, Railway Board, in addition to his own, with effect from the date of assumption of the additional charge till further orders.

- d) In terms of Railway Board's order no. 2019/E(O)II/40/16 dt, 09.10.2020, the Competent authority has approved the appointment of Shri Hari Mohan Gupta, IRSE as Director Infrastructure on the Board of the Company on absorption basis for an initial period of three years from the date of his assumption of charge of the post or upto the date of his superannuation or until further orders, whichever is earlier. He assumed the charge of the post on 13.10.2020.

#### 4.1.4 The following Director ceases to hold the office after the closure of financial year 2019-2020.

- a) In terms of Railway Board's order no. 2013/E(O)II/40/8 dated 30.08.2019, Shri Naresh Salecha, Addl. Member/Revenue, Railway Board & Director/Finance, DFCCIL ceases to hold the office of Director/Finance, DFCCIL w.e.f. 05.05.2020.
- b) In terms of Railway Board's order no. 2011/E(O)II/40/34 dated 22.08.2019, Shri Vivek Srivastava, ED/PG, Railway Board & Director/OP&BD, DFCCIL ceases to hold the office of Director/OP&BD, DFCCIL w.e.f. 15.06.2020.
- c) In terms of Railway Board's order no. 2016/E(O)II/40/08 dated 05.08.2020, Shri Anurag Kumar Sachan, Managing Director, DFCCIL ceases to hold the office of Managing Director w.e.f. 31.07.2020.
- d) In terms of NITI Aayog OM No. 1/17 /2017-Tpt Dated 16.06.2020, addressed to Ministry of Railways, Dr. Rakesh Sarwal, Additional Secretary, NITI Aayog, has been nominated as Part Time Govt. Director of the Board of DFCCIL vice Shri Rameshwar Prasad Gupta, Ex-Special Secretary, NITI Aayog. However a formal order is awaited from the Ministry. Shri Rameshwar Prasad Gupta, Ex-Special Secretary, NITI Aayog ceases to hold the post of Part time Official Director (Government Nominee-Niti Aayog) w.e.f. 01.06.2020.

#### The following Directors are holding office as on the date of this Report:

S.No.	Name of the Director	Designation	Date of holding office w.e.f.
1.	Shri Vinod Kumar Yadav	Part Time Chairman (Official)	29.01.2019
2.	Shri R.N. Singh	Managing Director, Additional Charge	06.08.2020
3.	Shri Anshuman Sharma	Director (Project Planning)	05.04.2011
4.	Shri Hira Ballabh	Director (Finance)	05.05.2020
5.	Shri Naduri Srinivas	Director (Operations & Business Development)	15.06.2020
6.	Shri Hari Mohan Gupta	Director (Infrastructure)	13.10.2020
7.	Shri R. N. Singh	Part time Official Director (Government Nominee-MoR)	20.06.2019
8.	Shri B. Ramana Kumar	Independent Director	29.07.2019

#### 4.2 Directors' Responsibility statement under Section 134(5) of the Companies Act, 2013.

In terms of section 134 (3) (c) of Companies Act, 2013, the Board of Directors of the Company confirms that -

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating- The Board of Directors annually review compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances.
- (f) All applicable Secretarial Standards have been duly complied.

#### 4.3 A Statement on declaration given by independent directors under section (7) of section 149.

Shri B. Ramana Kumar, Independent Director, has submitted the declaration pursuant to sub-section (7) of section 149 of the Companies Act, 2013.

### 5. Auditors.

The Comptroller and Auditor General (C&AG) of India had appointed M/s S.R. Dinodia & Co. LLP, Chartered Accountants as Statutory Auditor of the Company for the year 2019-2020 and in exercise of powers conferred by the shareholders, the Board of Directors have fixed their remuneration at a fee of ₹9,50,000/- (Nine Lac fifty thousand only) plus GST as per applicable rate and out of pocket expenses to be paid extra.

#### 5.1 Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the Auditor and Secretarial Auditor.

##### 5.1 (a) Statutory Auditors' Report

The Auditors' Report dated 26th August 2020 submitted by M/s S.R. Dinodia & Co. LLP, Chartered Accountants doesn't contain any qualification and hence no explanation or comments are required.

##### 5.1 (b) Secretarial Auditor' Report

The Secretarial Audit Report does not contain any qualification and hence no explanation or comments are required.

#### 5.2 Comments of the Comptroller & Auditor General of India.

The Comments of the Comptroller & Auditor General of India on Financial Statements for the year ended on 31.03.2020, are placed at **Annexure-E** and the Management's reply is placed at **Annexure- E-1**.

### 6. Particulars of loans given, investments made, guarantees given and securities provided.

Particulars of loans, guarantees and investments under Section 186 of Companies Act, 2013 are 'NIL' during the year under review.

### 7. Particulars of Employees under Rule 5(2) Of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year under review, the particulars of Employees to be disclosed under Rule 5(2) of the Companies (appointment and Remuneration of Managerial Personnel) rules, 2014 may be treated as 'NIL' as none of the employees was in receipt of remuneration in excess of the limits prescribed therein.

### 8. Contracts and Arrangements with related parties.

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government through Ministry of Railways by holding its entire shares (refer Note 11). Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Ministry of Railways, various divisional / zonal railways under MOR, Ministry of Corporate Affairs, BSNL, IOCL, RailTel, NHAI, PGCIL, GAIL and CRWC etc.

(₹ in Crores)

Nature of Transaction	For the year ended	
	March 31, 2020	March 31, 2019
<b>Ministry of Railways &amp; its constituent</b>		
Fund Received from MOR	9,003.64	7,327.00
Recoverable for PETS survey from MOR	-	19.59
Recoverable from MOR towards land facilitation expenses	9.81	28.17
Advance given for shifting of utilities, capital advance, ROB Works and construction of flats, road (net of adjustment)	151.73	326.63
Advance received for ROB/RUB	39.50	1.25
Advance given for ROB/RUB (net of adjustment)	23.59	28.34
Rental Income from Railway Board	4.76	4.95

Nature of Transaction	For the year ended	
	March 31, 2020	March 31, 2019
<b>Ministry of Finance</b>		
Guarantee Fee	54.26	28.57
<b>Other entities</b>		
BSNL - For shifting of utilities & capital works	0.87	0.36
PGCIL - For shifting of utilities, capital works & Income as Advance for Way Leave and Other (net of adjustment)	0.18	0.69
RailTel corporation Ltd - For shifting of utilities & capital works	0.75	5.43
NHAI - For shifting of utilities & capital works	77.00	0.07
NHAI - Income as Advance for Way Leave and Other	0.06	-
IOCL - For shifting of utilities & capital works	0.06	0.36
IOCL - Income as Advance for Way Leave and Other	0.16	-
CRWC New Delhi - For shifting of utilities & capital works	-	0.03
GAIL - For shifting of utilities & capital works	9.20	0.18
RDSO/LKO - shifting of utilities & capital works	-	2.68
Rites Ltd - For shifting of utilities & capital works	1.29	29.91
Rites Ltd - Project Management Consultancy Service	19.63	-
ONGC for For shifting of utilities & capital works	0.94	-
CONCOR - Application money for policy	0.30	-
CONCOR - Advance For Deposit Work & Other	126.09	-
Integral Coach Factory, Chennai for Capital Works (net of adjustment)	7.20	-
<b>Total</b>	<b>9,531.02</b>	<b>7,804.22</b>

## 9. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report-

There are no Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate i.e. 31.03.2020 and the date of the report.

## 10. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgo.

### A) Conservation of Energy

#### a) Steps taken or impact on conservation of energy:

All the air-conditioning system for the upcoming service buildings are confirming to BEE 5 star rating & inverter technology based VRF system. Expected saving in energy consumption shall be approx.1.1 MU annually.

#### b) Steps taken by the company for utilizing alternate source of energy:

Consultancy Services Contract for Engagement of General Consultant for feasibility study for setting up solar power plants, supported on walls along the ROW in Western & Eastern Corridors of DFCCIL has been awarded through World Bank Technical Assistance Program. The objective of this study is to contribute in Government of India's target of 100 GW by 2022 by tapping solar potential on the spare land along the ROW. The pilot project will cover 850 km (350 km EDFC & 500 km WDFC) under the feasibility study. Consultant has commenced detailed feasibility study for capacity assessment. Based on the outcome of this study, decision shall be taken for implementation of the project in the identified sections.



## B) Technology absorption -

1. Use of IEDs & intelligent numerical protection system for speedy fault isolation as per IEC 61850 with recording & analyzing capabilities.



## 2. Mechanized Construction Approach

DFCCIL has adopted mechanized construction approach using international best practices for foundation, mast erection, wiring, cantilever erection & SED checking to achieve reliability/consistency in design & improved pace of work as detailed under:



Foundation auguring by rail based mobile augur



Mechanized wiring train for simultaneous wiring of OHE conductors



**Mechanized inspection of works using rail borne vehicles such as Vertical Cradle Platform (VCP) and tower wagon etc.**



**Contactless SED checking using infrared system for accuracy in measurement & minimal human involvement**

**(C) Foreign Exchange earnings and outgo during the period under review are**

Foreign Exchange Earning	- Nil
Foreign Exchange Outgo	- ₹1533.47Crore out of which
Interest	- ₹193.39Crore
Tour & Travelling Expenses	- ₹2.11Crore
L.C Charges on JICA Loan Charges	- ₹0.59Crore
Commitment fee for Loan	- ₹10.15Crore
Consultancy & Work	- ₹1095.42Crore
Repayment of IBRD Loan	- ₹231.81Crore

**11. A statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.**

The Enterprise Risk Management Framework has been implemented with effect from 1st December 2014. A Risk Management structure has already been defined, which comprises of a Risk Management Committee (RMC) consisting of three members. The



Chief Risk Management Coordinator (CRMCO) is the nodal point for coordinating and managing all the risk management activities reviewed and approved by RMC. The head of various departments such as Civil, S&T, IT, Administration, Electrical, Operation, Business Development, Finance, Human Resources etc. and all CGMs act as Risk Mitigation Plan Owners (RMPOs) are responsible for risk identification, its prioritization and for framing the mitigation plan. In order to ensure that there are appropriate controls in place for the risk management activities, a risk monitoring and assurance mechanism has been provided for a part of Enterprise Risk Management Framework to assess the effectiveness of mitigation plan for a particular risk.

While striving to meet the corporate mission and corporate objectives, risks and concerns go hand-in-hand along with the opportunities. Risk Management Policy aims to strike a balance between company's strength, weaknesses, opportunities and threats on one hand with the real and potential risks on the other hand.

The Company Risk Management Policy establishes a documented Risk Management Framework and assign responsibilities to its employees to take corrective and preventive measures. The Risk Management Framework is being reviewed and upgraded periodically and also Company strives to increase awareness among its employees to implement the Risk Management Policy.

## 12. The details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year.

A report on Corporate Social Responsibility initiatives taken during the year under review annexed at **Annexure - A**, which forms the part of Directors' Report.

## 13. OTHER COMPLIANCES

### A. Rajbhasha (Official Language)

#### Official Language Policy:

During the period of Financial Year 2019-20, special emphasis was given to ensure the maximum use of official language and 100% compliance of Official Language Policy in DFCCIL Corporate Office & Subordinate Project Offices and in this regard, various types of activities, encouraging the official language were organized.

- Quarterly meetings of the Official Language Implementation Committee were organized regularly in each quarter in DFCCIL Corporate Office. The quarterly progress reports related to the official language were ensured to be submitted to the Ministry of Railways, Railway Board and the Ministry of Home Affairs, Government of India from time to time. The participation of DFCCIL in the half yearly meetings conducted by the Town Official Language Implementation Committee (Undertakings) was ensured.
- In order to promote the use and propagation of the official language, a "Hindi fortnight" was organized in DFCCIL from 01.09.2019 to 14.09.2019. During the "Hindi fortnight event celebrations various competitions of Hindi were organized for staff of DFCCIL and those employees who stood at first, second and third positions were awarded by the Managing Director. A Kavi Sammelan was organized during the Hindi fortnight event and speeches & lectures were delivered on the importance of Hindi language.
- Two Hindi workshops were organized to impart training in Hindi to the officers / employees working in different departments of Corporate Office and Projects offices, in which about 165 staff / officers were trained. A day-long successful Hindi Workshop was also organized by the DFCCIL, Corporate Office, under the flagship of Town Official Language Implementation Committee, in which about 50 employees / officials of different PSUs participated.
- The task of making DFCCIL's website bilingual (Hindi-English) is a continuous process, which has been updated from time to time, will be continued and completed shortly.
- Office orders of permanent nature, circulars, notices, notifications, advertisements, tender etc. are being released in bilingual form to comply 100% of Section 3(3) of the Official Language Act.
- Different incentive schemes of the Railway Board for the use and propagation of Hindi have also been implemented in DFCCIL and advantage of the same is being taken by the employees and officials of the DFCCIL Corporate Office and Subordinate Offices.
- The purchase of Hindi books in the Hindi library of DFCCIL, Corporate Office, is being ensured as per the allocated budget and maximum employee / officials are being benefitted.

#### **Achievements:**

- DFCCIL was graced and awarded shield by the Town Official Language Implementation Committee for organizing a Hindi Word Competition for the employees / Officers of different GOI undertakings.

#### **B. Right to Information Act, 2005:**

DFCCIL has been able to fulfill the mandatory requirements as well as its obligation towards the citizens in providing information sought for by them. The Public Information Officer in the Corporate Office coordinates with the APIOs in the field unit offices and in the Corporate Office for obtaining information in desired format and within stipulated time period, so that the same is sent to the applicant in time. Under the mandatory requirement, the duties and responsibilities of an Appellate Authority have been assigned to the General Manager/Administration.

During the year 2019-20, a total of 950 RTI applications (including 66 Appeal cases) were received and replied with in the stipulated time period. All the replies have also been uploaded on DFCCIL website ([www.dfccil.com](http://www.dfccil.com)). The status of RTI replies are updated regularly on DFCCIL website. Similarly, Orders of the Chief Information Commission (CIC) have been complied with, within the stipulated time period.

#### **C. Parliament Questions:**

Dealing with Parliamentary matters calls for utmost accuracy, swiftness and conformation to the prescribed norms and procedures as laid down by the nodal authorities.

An officer of Dy. General Manager level has been designated especially for dealing with all Parliamentary matters in coordination with other Departments in DFCCIL. During the year 2019-20, a total of 30 Parliament Questions, 01 Standing Committee matter and 01 other parliamentary reference were received and all were replied in time.

#### **D. MCA 21 E -filing**

In terms of Companies (Electronic Filing and Authentication of Documents) Rules, 2006 and Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Amendment Rules 2012, the Company has filed all the statutory forms and returns electronically during the year under review.

#### **E. Memorandum of Understanding**

During the period under review, the Company has been ranked under the "Good" grading of MoU for the year 2018-19 by the Department of Public Enterprises.

#### **F. Vigilance**

- Vigilance is an integral function of any organization like other functions of management. If the vigilance set up is effective in an organization, it will certainly ensure the functioning of other segments in an efficient way. DFCCIL has given a rightful place to Vigilance in the overall management of the organization. One of the primary objectives of vigilance function in any organization is to assist the management to achieve its goal by ensuring that all businesses are carried out as per the laid down rules and procedures while minimizing the scope of malpractices and misuse of funds.
- Vigilance helps in analysing the system to understand the loopholes and inadequacies so that prompt corrective action may be taken. It helps in simplifying the complexities of the system thereby increasing the transparency which in turn helps in improving the overall efficiency of the organization. Vigilance helps in promoting a culture of honesty and integrity. It helps in reforming systems for corruption free delivery. In brief, it helps in striving for zero tolerance for corruption and thereby enhancing the image of the organization. Therefore, vigilance helps in improving the efficiency and effectiveness of the employees as well of the organisations by promoting transparency and ethical practices. Needless to state, the objective of corruption free and efficient organization cannot be achieved without the active support and participation of all the functionaries in the organization. Every employee who is part of any decision making process should exercise due vigilance on his own.
- Vigilance Unit, DFCCIL is the nodal section for handling all vigilance matters of the Dedicated Freight Corridor Corporation of India Limited (DFCCIL). The vigilance wing of DFCCIL is headed by a full time CVO. Other functionaries of the vigilance wing include Dy. CVO, DGM, Managers, Asstt. Managers and Executives.
- The role of vigilance in DFCCIL is multifarious. It undertakes preventive vigilance, punitive vigilance activities and various system improvements.



### Preventive Vigilance and Complaints

- In the year 2019-20, DFCCIL vigilance gave more emphasis on preventive vigilance and system improvement. During the year, total 17 Preventive Checks were undertaken including CTE type checks, covering various aspects. As a result of these preventive checks, system improvements were suggested to the management.
- DFCCIL has well defined complaint handling policy which is available under the vigilance section on DFCCIL's official website. It clearly mentions the procedure for sending the complaints. Total 26 complaints were received for investigation during the year. Consequent upon investigation, necessary action and system improvements have been advised/suggested to DFCCIL management.
- Moreover, various observations related to Intensive Examination conducted by CVC were communicated to the management for their compliance and further improvements. Audit reports pertaining to the organization were also scrutinized. In addition to this, scrutiny of Immovable Property Returns is undertaken by DFCCIL vigilance every year. As a result of all these preventive vigilance measures, areas of concern were duly communicated to the management for taking corrective action.

### Vigilance Awareness

- The Vigilance Unit also organizes various Vigilance Awareness programmes. The Vigilance Unit organizes Vigilance Awareness Week celebrated every year as per the guidelines of CVC. Vigilance Bulletins are also published thereby providing vital information on vigilance matters and creating awareness etc. In pursuance of directives issued by Central Vigilance Commission, Vigilance Awareness Week-2019 was observed in DFCCIL from 28th Oct., 2019 to 2nd Nov., 2019 throughout the organization with the theme Integrity- A Way of Life. During the VAW, various activities for awareness generation were conducted. These included - Essay competition on the theme of VAW, a street play on awareness generation, Quiz competition amongst the officials of DFCCIL, Lectures and presentations on relevant topics. Moreover, an interactive session was also organized between former Technical Examiner/CVC and senior officials of DFCCIL. Various awareness and outreach activities were also organized in all the field units of the DFCCIL during the vigilance awareness week. A vigilance bulletin was unveiled by MD/DFCCIL on this occasion.
- In addition to this, there has been sustained effort by the vigilance wing to create awareness among the employees of DFCCIL on wide ranging issues such as HR matters, financial issues, technical issues etc.
- For creating awareness among the vigilance officials, they were nominated for attending various training programs/seminars etc. These programs were immensely helpful for creating awareness as well as in enhancing the skills.

## 14. Corporate Governance

In terms of the applicable provisions of the Companies Act, 2013, read with the Guidelines on Corporate Governance issued by Department of Public Enterprises, following forms an integral part of this Board's Report.

- A "Corporate Governance Report placed at **Annexure "B"** highlights the philosophy of the Company on the Corporate Governance, composition of Board of Directors as well as their attendance in various meetings, remuneration of directors etc. and other relevant disclosures. It is supplemented by the following compliance certificates.
  - Certification of financial Statements by Chief Executive Officer and Chief Financial Officer. **Annexure "B-1"**.
  - A declaration signed by the Managing Director affirming the compliance with the code of conduct by the Board Members and Senior Management Personnel during 2019-2020 is placed at **Annexure "B-2"**.
  - Certificate of compliance of Corporate Governance obtained from practicing Company Secretary is placed at **Annexure "B-3."**
- A "Management Discussion and Analysis Report" is placed at **Annexure "C."**
- A Secretarial Audit Report from a Company Secretary in Practice **Annexure "D"**.

## 15 . Significant and Material Orders Passed by the Regulators or Courts.

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

## 16. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

## 17. A knowledge

The Directors wish to place on record their sincere thanks to Ministry of Railways, State Governments, Zonal Railways, the Statutory Authorities and Government agencies for their support and patronage.

The Board would also like to acknowledge with thanks the co-operation extended by C&AG, the Statutory Auditors and the Bankers of the Company.

The Board of Directors acknowledge and wish to place on record their appreciation for the co-operation and support extended by the Associates, the DFCCIL employees and others who have extended their valued co-operation, support and guidance to the Company, from time to time.

For and on behalf of the Board

Date: 25.11.2020  
Place: New Delhi

Sd/-  
Hira Ballabh  
Director / Finance

Sd/-  
R. N. Singh  
Managing Director

# ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

## Vision:

To meet social obligations by playing active role to improve quality of life of communities and stakeholders.

## Mission:

To remain a responsible corporate entity to all stakeholders and society at large.

Consequent upon introduction of the Companies Act, 2013, a new CSR Policy of DFCCIL was formulated which was approved by the BoD in its 47th Meeting.

Based on the recommendations of CSR Committee, the Board of Directors (BOD) has given approval for CSR activities to be carried out during the year 2019-20 as per details mentioned below: -

## Funds allotted for CSR activities for the year 2019-20

SN	Activities	Proposed CPM Units	Proposed Amount (In lakhs)
1.	Skill intervention in schools to improve the employable skills and physical fitness of the students(through Confederation of Indian Industry-CII)	Greater Noida/ MerrutSouth MumbaiAjmer/ JaipurTundla	₹100 lakhs
2.	Installation of India Mark-2 hand pump with submersible pump and water tank in plain area of District Mirzapur.	Allahabad	₹2 lakh
3.	Provision of hand pumps and solar lights in Kodarma, Jharkhand.	Kolkata	₹9 lakhs
4.	Construction of toilet blocks and installation of computers in schools in Ballia, UP.	Mughalarai	₹10 lakhs
5.	Provision of 50 dustbins and 10 water coolers with RO installation in villages and schools.	Ambala	₹8 lakhs
6.	Augmentation of community facility.	Merrut	₹15 lakhs
7.	Provision of smart class accessories in aspirational districts (Chandauli).	Mughalsarai	₹10 lakhs
8.	Provision of Smart class accessories in Aspirational district(Mewat)	Noida	₹3.5 lakhs
	<b>Total</b>		<b>₹157.5 lakhs</b>

- Web link of CSR policy and Projects: [http://dfccil.gov.in/dfccil\\_app/CSR](http://dfccil.gov.in/dfccil_app/CSR)
2. During the financial year (2019-20), the Composition of the CSR Committee was as under:
    - i) Shri D.S. Rana, Director/Infra/DFCCIL– Member, Convener
    - ii) Shri Ravi Mathur, Independent Director –Member
    - iii) Shri Shakti Munshi, Independent Director–Member
  3. Average net profit of the company for last three financial years:- **TOTAL- ₹6298.90 Lakhs**
  4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): **₹125.97 Lakhs**
  5. Details of CSR fund spent during the financial year (19-20).
    - i) Total amount to be spent for the financial year 2019-20: ₹157.5 Lakhs (inclusive of taxes)
    - ii) Amount unspent, if any: ₹157.5 Lakhs – ₹74.71 Lakhs = ₹82.97 Lakhs
    - iii) Manner in which the amount spent during the financial year is detailed below:

(1) SN	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other or (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise (in lakhs)	(6) Amount spent on the projects or programs Sub-heads: (1) Director expenditure on projects or programs. (2) Overheads.(in lakhs)	(7) Cumulative expenditure upto the reporting period (in lakhs)	(8) Amount spent: Direct or through implementing agency
1	Skill intervention in schools to improve the employable skills and physical fitness of the students (through Confederation of Indian Industry-CII))	Skill intervention	Greater Noida/ Merrut South Mumbai Ajmer/ Jaipur Tundla	₹100 lakhs	₹42.82 lakhs by CII	₹42.82 lakhs	CII
2	Installation of India Mark-2 hand pump with submersible pump and water tank in plain area of District Mirzapur	Installation of India Mark-2 hand pump with submersible pump	Allahabad (E)	₹2 lakh	NIL	NIL	
3	Provision of hand pumps and solar lights in Kodarma, Jharkhand	Provision of hand pumps and solar lights	Kolkata	₹9 lakhs	NIL	NIL	
4	Construction of toilet blocks and installation of computers in schools in Ballia, UP	Construction of toilet	Mughalarai	₹10 lakhs	₹11.22 Lakhs	₹11.22 lakhs	Direct
5	Provision of 50 dustbins and 10 water coolers with RO installation in villages and schools	Provision of dustbins and water coolers with RO	Ambala	₹8 lakhs	NIL	NIL	M/S Orbit Facility Management - Thane
6	Augmentation of community facility	Augmentation of community facility	Merrut	₹15 lakhs	₹11,66,186 lakhs	₹11,66,186 lakhs	M/S Radhasv Enterprises, 63-New Prabhat Nagar, Gali No.2, Meerut, UP-250001
7	Provision of smart class accessories in aspirational districts (Chandauli)	Provision of smart class	Mughalsarai	₹10 lakhs	₹5,51,800 lakhs	₹5,51,800 lakhs	Direct
8	Provision of Smart class accessories in aspirational district (Mewat)	Provision of smart class	Noida	₹3.5 lakhs	₹3,49,714 lakhs	₹3,49,714 lakhs	Direct
	<b>TOTAL</b>			<b>₹157.5 lakhs</b>	<b>₹74.41 lakhs</b>	<b>₹74.71 lakhs</b>	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report –
- **Provision of Hand Pumps were planned in ALD€ and Kolkata units. But works could not be started.**
  - **Funds allotted to CII could not be spent because the training to students was stopped due to Lockdown.**

**Note: - The unspent amount will be re-allotted to CII for which a bank account is being opened and the remaining amount to be transferred to the “PM CARES” Fund.**

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-	Sd/-	N.A
(Managing Director)	(Chairman CSR Committee)	[Person specified under clause (d) of sub-section (1) of section 380 of the Act] (wherever applicable)

# CORPORATE GOVERNANCE REPORT

## 1. A brief statement on Company's philosophy on Corporate Governance

The Company believes in achieving the Company's Goal and objectives through the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings. The Corporate Governance is the application of best management practices, compliance of Laws, rules, regulation and adherence standard to achieve the objects of the Company.

The key value is to believe in "Speed, Sincerity and Success." The Corporate Governance principles such as Accountability, Responsibility, Transparency and Fair Disclosures serve as the means for achieving this.

## 2. Board of Directors:

### 2.1 Composition of the Board of Directors:

In terms of Article 80 of the Articles of Association of the Company, the President of India has determined that there shall be a total of 12 Directors on the Board of DFCCIL. The President of India vide letter no. 2008/Infra/6/1 dated 04.05.2010 has approved the composition of the Board of Directors of DFCCIL as follows:

- " Chairman Railway Board (CRB) as Part Time Chairman.
- " Five full time Functional Directors including Managing Director.
- " One Nominee of Ministry of Railways.
- " One Nominee of Planning Commission (Now NITI Aayog)
- " Four Independent non-official Directors including one from financial institutions depending on requirement.

### 2.2 Strength of the Board

In terms of Article 81(1) of the Articles of Association of the Company, The President of India has the power to appoint Directors of the Company. On the date of the report, the total strength of the Board of Directors of the Company is Seven, comprising of three whole-time Directors, one part time Chairman, one part-time official Directors (Nominee) from Ministry of Railways & Looking after Managing Director & looking after Dir/Infrastructure and one Nominee from NITI Aayog and one Independent Directors.

#### 2.2.1 Directors who have joined the Board/extended tenure during the financial year 2019-2020;

- a) In terms of Railway Board's order no. 2017/PL/61/5 dated 17.06.2019, the President of India appointed Shri R. N. Singh, PED/ Infrastructure, Railway Board, as Part-time Government Director on the Board of the Company with immediate effect till the holding of the post of PED/Infrastructure, Railway Board, or further orders, whichever is earlier. The date of allocation of Director Identification Number was 20.06.2019.
- b) In terms of Railway Board's order no. 2009/PL/48/1(Pt.3) dated 11.07.2019 the tenure of Shri Ravi Mathur & Smt. Shakti Munshi as Independent Directors on the Board of DFCCIL is extended upto 31.03.2020.
- c) In terms of Railway Board's order no. 2009/PL/50/13/Pt. dated 11.07.2019, the President of India appointed Sh. B. Ramana Kumar as Non-official (Independent) Director on the Board of the Company, for a period of three years w.e.f. the date of notification of the appointment, or until further orders, whichever is earlier. The date of allocation of Director Identification Number was 29.07.2019.
- d) In terms of Railway Board's order no. 2013/E(O)II/40/4 dated 09.09.2019, Shri Anurag Kumar Sachan, MD/DFCCIL, has been entrusted to the additional charge of the post of Director/Infrastructure, in addition to his own, for a period of three months w.e.f. 18.09.2019 or until a regularly selected incumbent joins the post or until further orders, whichever is earliest.
- e) In terms of Railway Board's order no. 2017/PL/61/5 dated 11.03.2020, the President of India has appointed Shri Rameshwar Prasad Gupta, Special Secretary, NITI Aayog as Part time Government Director on the Board of the Company with immediate effect till he holds the post of Special Secretary, NITI Aayog or further orders, whichever is earlier. However, in terms of NITI Aayog OM No. 1/17/2017-Tpt Dated 16.06.2020, addressed to Ministry of Railways, Dr. Rakesh Sarwal, Additional Secretary, NITI Aayog, has been nominated as Part Time Govt. Director of the Board of DFCCIL vice Shri Rameshwar Prasad Gupta, Ex-Special Secretary, NITI Aayog. However a formal order is awaited from the Ministry.

## 2.2.2 Directors cease to be hold office during the financial year 2019-2020.

- a) In terms of Railway Board's order no. 2017/PL/61/5 dated 17.06.2019, Shri Sushant Kumar Mishra, PED/Infrastructure, Railway Board, as Part-time Government Director on the Board of the Company ceases to hold the office of Part-time Government Director w.e.f. 20.06.2019.
- b) In terms of Railway Board's order no. 2013/E(O)II/40/4 dated 09.09.2019, Shri D. S. Rana, Director/Infrastructure has been relieved from DFCCIL w.e.f 18.09.2019 at his request to join as CMD, Engineers Project India Limited w.e.f. 18.09.2020.

## 2.2.3 The following Director who have joined after the closure of financial year 2019-2020.

- a) In terms of Railway Board's order no. 2016/E(O)II/40/24 dated 30.04.2020 read with the Northern Railway's Office Order No. 2020/Dy.CAO/ G/ SAG/ HAG/ Trf.Posting(L) dated 05.05.2020, the Competent Authority appointed Shri Hira Ballabh, SAG/IRAS as Director (Finance) on the Board of Dedicated Freight Corridor Corporation of India Limited for a period of 5 years with effect from the date of assumption of charge of the post or till the date of his superannuation or until further orders, whichever is earlier. He assumed the charge on 05.05.2020.
- b) In terms of Railway Board's Order no. 2018/E(O)II/40/3 dated 15.06.2020, the Competent Authority has approved appointment of Shri Nanduri Srinivas, IRTS as director (Operations & Business Development), on the Board of Dedicated Freight Corridor Corporation of India Limited (DFCCIL) on immediate absorption basis for a period of 5 years with effect from the date of assumption of charge of the post or till the date of his superannuation or until further orders, whichever is earlier. He assumed the charge on 15.06.2020.
- c) In terms of Railway Board's order no. 2016/E(O)II/40/08 dated 05.08.2020, the Competent Authority has approved entrustment of the additional charge of the post of Managing Director, DFCCIL to Shri R.N. Singh, IRSE, PED/Infrastructure, Railway Board, in addition to his own, with effect from the date of assumption of the additional charge till further orders. He assumed the charge on 06.08.2020.
- d) In terms of Railway Board's order no. 2019/E(O)II/40/16 dt, 09.10.2020, the Competent authority has approved the appointment of Shri Hari Mohan Gupta, IRSE as Director Infrastructure on the Board of the Company on absorption basis for an initial period of three years from the date of his assumption of charge of the post or upto the date of his superannuation or until further orders, whichever is earlier. He assumed the charge of the post on 13.10.2020.

## 2.2.4 The following Director ceases to hold the office after the closure of financial year 2019-2020.

- a) In terms of Railway Board's order no. 2013/E(O)II/40/8 dated 30.08.2019, Shri Naresh Salecha, Addl. Member/Revenue, Railway Board & Looking after Director/Finance, DFCCIL ceases to hold the office of Director/Finance, DFCCIL w.e.f. 05.05.2020.
- b) In terms of Railway Board's order no. 2011/E(O)II/40/34 dated 22.08.2019, Shri Vivek Srivastava, ED/PG, Railway Board & looking after Director/OP&BD, DFCCIL ceases to hold the office of Director/OP&BD, DFCCIL w.e.f. 15.06.2020.
- c) In terms of Railway Board's order no. 2016/E(O)II/40/08 dated 05.08.2020, Shri Anurag Kumar Sharma, Managing Director, DFCCIL ceases to hold the office of Managing Director due to superannuation on 31.07.2020.
- d) In terms of NITI Aayog OM No. 1/17/2017-Tpt Dated 16.06.2020, addressed to Ministry of Railways, Dr. Rakesh Sarwal, Additional Secretary, NITI Aayog, has been nominated as Part Time Govt. Director of the Board of DFCCIL vice Shri Rameshwar Prasad Gupta, Ex-Special Secretary, NITI Aayog. However a formal order is awaited from the Ministry. Shri Rameshwar Prasad Gupta, Ex-Special Secretary, NITI Aayog ceases to hold the post of Part time Official Director (Government Nominee-Niti Aayog) w.e.f. 01.06.2020.

The composition of the Board of Directors, on the date of report, along with Directorships held by them and their attendance in the Board meetings held during the financial year 2019-2020 and the last Annual General Meeting is tabled below:

S. No.	Category of Directors	Name of Directors/ Date of Appointment	Number of Directorships/ Chairmanships in public companies including DFCCIL and excluding private Companies 1 & 5	Total No. of Committee Memberships/ chairmanships in public companies including DFCCIL and excluding private companies (*4 & 5)	No. of Board Meetings held during 2019-2020 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
<b>(I) Chairman (Part-time official)</b>							
1.	Chairman/Railway Board	Shri Vinod Kumar Yadav (DIN-08346269) (Held office w.e.f. 29.01.2019)	1	0	4	4	Yes
<b>(II) Whole-time Director</b>							
1	Managing Director	Shri Anurag Kumar Sachan (DIN-08197908) (Held office from 08.06.2018 to 31.07.2020).	1	0	4	4	Yes
1A	Additional Charge of Managing Director	Shri R.N. Singh (DIN- 08488013) (Held office w.e.f. 06.08.2020)	NA	NA	NA	NA	NA
2	Director (Project Planning )	Shri Anshuman Sharma (DIN- 03500815) (Held office from 05.04.2011 and extended up to 31.12.2020)	1	1-Corporate Social Responsibility Committee (Member) (16.04.2019-23.07.2019)	4	4	Yes
3	Additional Charge of Director (Finance)	Shri Naresh Salecha (DIN-00843812) (Held office from 01.03.2017 to 05.05.2020)	1	1-Audit Committee (Member)	4	4	Yes
3A	Director (Finance)	Shri Hira Ballabh (DIN-08738632 ) (Held office from 05.05.2020)	NA	NA	NA	NA	NA



S. No.	Category of Directors	Name of Directors/ Date of Appointment	Number of Directorships/ Chairmanships in public companies including DFCCIL and excluding private Companies 1 & 5	Total No. of Committee Memberships/ Chairmanships in public companies including DFCCIL and excluding private companies (*4 & 5)	No. of Board Meetings held during 2019-2020 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
4A	Director (Operations & Business Development)	Shri Nanduri Srinivas (DIN-08763509) (Held office from 15.06.2020)	NA	NA	NA	NA	NA
5	Director (Infrastructure)	Shri D.S. Rana (DIN-07022825) (Held office from 27.10.2014 to 18.09.2019)	NA	1-Nomination & Remuneration Committee (Member) 2-Corporate Social Responsibility Committee (Convener/ Member)	3	3	NA
5A	Looking After (Director/ Infrastructure)	Shri Anurag Kumar Sachan (DIN-08197908) (Held office from 18.09.2020 to 31.07.2020).	NA	1-Nomination & Remuneration Committee (Member) 2-Corporate Social Responsibility Committee (Convener/ Member)	1	1	Yes
5B	Looking After (Director/ Infrastructure)	Shri R. N. Singh (DIN- 08488013) (Held office from 06.08.2020 to 12.10.2020 )	NA	NA	NA	NA	NA
5C	Director/Infrastructure	Shri H. M. Gupta (DIN- 08453476) (Held Office from 13.10.2020)	NA	NA	NA	NA	NA

S. No.	Category of Directors	Name of Directors/ Date of Appointment	Number of Directorships/ Chairmanships in public companies including DFCCIL and excluding private Companies 1 & 5	Total No. of Committee Memberships/ Chairmanships in public companies including DFCCIL and excluding private companies (*4 & 5)	No. of Board Meetings held during 2019-2020 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
<b>(III) Director (Part-time official)</b>							
1	PED (Infrastructure) /Railway Board	Shri Sushant Kumar Mishra (DIN- 08488013) (Held office from 08.06.2017 to 20.06.2019)	2	1-Audit Committee Meeting (Member) (16.04.2019-23.07.2019) 2-Nomination & Remuneration Committee (Member) (16.04.2019-23.07.2019)	1	1	NA
1A	PED (Infrastructure) /Railway Board	Shri R. N. Singh (DIN- 08488013) (Held office from 20.06.2019 )	2	1-Nomination & Remuneration Committee (Member) 2-Corporate Social Responsibility Committee (Member)	3	3	Yes
2	Special Secretary NITI Aayog	Shri Yaduvendra Mathur (DIN-00307650) (Held office from 08.06.2017 to 11.03.2020)	1	1-Audit Committee Meeting (Member) 2-Nomination & Remuneration Committee (Member)	3	1	Yes

S. No.	Category of Directors	Name of Directors/ Date of Appointment	Number of Directorships/ Chairmanships in public companies including DFCCIL and excluding private Companies 1 & 5	Total No. of Committee Memberships/ Chairmanships in public companies including DFCCIL and excluding private companies (*4 & 5)	No. of Board Meetings held during 2019-2020 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
3	Special Secretary NITI Aayog	Shri R. P. Gupta (DIN-03388822) (Held office from 11.03.2020 to 31.05.2020)	1	0	0	0	NA
<b>(IV) Independent Directors ( Part Time non official )</b>							
1	Part Time non-official	Smt. Shakti Munshi (DIN- 00483546) (Held office from 01.04.2016 to 31.03.2020)	1	1-Audit Committee Meeting (Member) 2-Nomination & Remuneration Committee (Member) 3-Corporate Social Responsibility Committee (Member)	3	3	Yes
2	Part Time non-official	Shri Ravi Mathur (DIN- 02427086) (Held office from 01.04.2016 to 31.03.2020 )	1	1-Audit Committee Meeting (Member) 2-Nomination & Remuneration Committee (Member) 3-Corporate Social Responsibility Committee (Member)	3	3	Yes
3	Part Time non-official	Shri B. Ramana Kumar (DIN- 08523013) (Held office from 29.07.2019 )	1	1-Audit Committee Meeting (Member)	3	3	Yes

## NOTES:

1. The Directorships being held by the Directors are within the limits laid down under section 165 of the Companies Act, 2013. For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary Company of a public company is included.
2. The term “part-time official” indicates the Government Nominee Directors on the Board of DFCCIL who are the officials of the Ministry of Railways and NITI Aayog.
3. The term “part time non official” means the Independent Directors.
4. For the purpose of considering the limit of the Committees on which a Director can serve , all public limited companies, whether listed or not, is included.
5. For the purpose of reckoning the limit for chairmanship/membership, the Audit Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee is taken.
6. The word “NA” denotes “Not Applicable” as the concerned Directors have joined the Board after the financial year 2019-20.

During the financial year 2019-2020, the Board of Directors met four times to transact the business. The meetings of the Board of Directors of DFCCIL were held on following dates as mentioned below:

S.No.	Quarter	Dates
1.	For the quarter ended June 2019	16.04.2019
2.	For the quarter ended September 2019	14.08.2019 & 05.09.2019
3.	For the quarter ended December 2019	24.12.2019
4.	For the quarter ended March 2020	Scheduled on 30.03.2020 but could not be held due to the outbreak of pandemic.

### Brief Resume of Directors appointed as on the date of report:

#### i. Shri Hari Mohan Gupta as Director Infrastructure w.e.f. 13.10.2020

Shri Hari Mohan Gupta is an Indian Railway Officer of 1989 Exam Batch (Indian Engineering Services, IES-89), graduated in Civil Engineering in 1988 from University of Roorkee (renamed as IIT/Roorkee) & worked as Executive Director (Works) in Ministry of Railways, Railway Board, New Delhi since 23-04-2019 to 12-10-2020.

Before joining Ministry office, he worked for 7 years on deputation on a challenging Iconic Project as Chief Project Manager of Rewari-Dadri section of Western Dedicated Freight Corridor in DFCCIL Organization and was instrumental in acquisition of land in 7 Prime Districts (Rewari, Alwar, Mewat, Gurgaon, Palwal, Faridabad & GB Nagar of UP) of National Capital Region territory, ensuring Forestry clearances in all Districts including special permission to pass through Aravali Ranges by making a tunnel in Aravalies. All Designs & Drawings of the project components were finalized during his tenure and construction activities all along the alignment started in a big way.

He is also having experience of track maintenance, repair/maintenance/operation/ overhauling of huge Railway track machines responsible for laying/maintenance of Railway track network, tendering/contract finalization/arbitration/administration of Zonal Railways etc. etc. Also, during his stint in Railway Board while working as ED/Works, he helped Zonal Railways in a big way and gained lot of experience in project monitoring, financing & other related fields.

## 3. Audit Committee

### Composition of the Audit Committee

Audit Committee of the Board of Directors was originally constituted on 14.03.2008 and was reconstituted from time to time. The composition of the Audit Committee as on the date of report is as follows:

S. No.	Member	Designation	Date of holding the membership of the Committee
1	Shri B. Ramana Kumar	Independent Director	14.08.2019
2.	Shri Anshuman Sharma	Director/PP	20.06.2020 (vide item no. 72.1.1(5)(i))
3.	Shri Hira Ballabh	Director/Finance	20.06.2020 (vide item no. 72.1.1(5)(i))

**The Terms of Reference of the Committee as prescribed by the Board in its meeting held on 14.03.2008.**

- To discuss with the auditors periodically about internal control systems.
- To discuss and decide about the scope of audit including the observations of auditors.
- To review the half-yearly and annual financial statements before submission to the Board and ensure compliance of internal control systems.
- To investigate into any matter relating to financial management including the audit report.
- Any other matter brought to the notice of the Audit Committee by Board of Directors.
- The Audit Committee shall review and recommend the appointment of Internal Auditors, terms & conditions of appointment and remuneration etc. for the consideration of BoD.

**Additional Terms of Reference for the Audit Committee re-constituted on 25.06.2010 (Item no. 7 of 17th Board Meeting.;**

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
2. Recommending to the Board the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval.
5. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
7. Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
9. Discussion with internal auditors and/or auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the Internal Auditors/Auditors/ agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non -payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower Mechanism.
14. To review the follow up action on the audit observations of the C&AG audit.
15. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
16. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
17. Review all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.



**Explanation:** The term “related party transactions” shall have the same meaning as contained in the Accounting Standard 18, issued by the Institute of Chartered Accountants of India.

18. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
19. Consider and review the following with the independent auditor and the management:
  - The adequacy of internal controls including computerized information system controls and security, and
  - Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
20. Consider and review the following with the management, internal auditor and the independent auditor:
  - Significant findings during the year, including the status of previous audit recommendations
  - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit.

**Additional Terms of Reference for the Audit Committee re-constituted on 07.08.2012 and are being retained;**

Chapter-4 of the DPE guidelines on Corporate Governance deals with the Audit Committee. Clause 4.5 of the chapter requires that the following information shall be reviewed by the Audit Committee.

- a) Management discussion and analysis of financial condition and results of operations.
- b) Statement of related party transactions submitted by Management.
- c) Management letters/letters of internal control weakness issued by the statutory auditors.
- d) Internal audit reports relating to internal control weakness.
- e) The appointment and removal of the Chief Internal Auditor shall be placed before the Audit Committee; and
- f) Certification/declaration of financial statements by the Chief Executive/Chief Finance Officer.

**Additional Terms of Reference for the Audit Committee in terms of section 177(4) of the Companies Act, 2013.**

1. Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,-
  - (i) The recommendation for Nomination and Remuneration and terms of appointment of auditors of the company;
  - (ii) View and monitor the auditor’s independence and performance, and effectiveness of audit process;
  - (iii) Examination of the financial statement and the auditors’ report thereon;
  - (iv) Approval or any subsequent modification of transactions of the company with related parties;
  - (v) Scrutiny of inter-corporate loans and investments;
  - (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
  - (vii) Evaluation of internal financial controls and risk management systems;
  - (viii) Monitoring the end use of funds raised through public offers and related matters.
  - (ix) To oversee the vigil mechanism and to provide for adequate safeguards against victimization of employees and directors who avail of the Vigil Mechanism and also provide direct access to Chairman, Audit Committee and in case of repeated frivolous complaints by a director or an employee, the Audit Committee may take suitable action against the concerned director or employee including reprimand.

**Powers of the Audit Committee:**

Commensurate with its role, the Audit Committee should be invested by the Board of Directors with sufficient powers, which should include the following:

- (i) To investigate any activity within its terms of reference.
- (ii) To seek information on and from any employee.

- (iii) To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
- (iv) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- (v) To protect whistle blowers.
- (vi) The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- (vii) All powers, as may be required, for executing the Scope of the Audit Committee.
- (viii) The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) of section 177 of the Companies Act, 2013, or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

During the year under review, the Committee met 3 times on the following dates: 13.08.2019, 04.09.2019, 06.03.2020. The fourth meeting scheduled to be held on 30.03.2020 could not be held due outbreak of the pandemic. The attendance of the members of the Committee during 2019-2020 is produced below:

Member	Position	Meetings held**	Meetings attended ***
Shri Ravi Mathur, Independent Director	Chairman	3	3
Shri Naresh Salecha, Dir/Finance	Member	3	3
Smt. Shakti Munshi, Independent Director	Member	3	3
Shri B. Ramana Kumar, Independent Director	Member	2	1

\*\* "Meetings held"- denotes the number of meetings held during the tenure of the member of the Committee.

\*\*\* "Meetings attended"- denotes the number of meetings attended by the member during the tenure of the member of the Committee.

#### 4. Nomination and Remuneration Committee

Nomination and Remuneration Committee' was originally constituted vide resolution no. 51.3.7 of 51st Board Meeting held on 13.08.2015 and was reconstituted from time to time. The composition of the Nomination and Remuneration Committee as on the date of report is as follows:-

S. No.	Member	Designation	Date of holding the membership of the Committee
1.	Shri R. N. Singh	Nominee Director (MoR)	05.07.2019
2.	Shri B. Ramana Kumar	Independent Director	20.06.2020
4.	Shri Nanduri Srinivas	Director (OP & BD)	20.06.2020

##### Terms of Reference:

- a) The Nomination and Remuneration Committee shall identify persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

**Note:** With reference to clause 2(1.5) of "The Code of Conduct for Board Members and Senior Management Personnel duly approved by the Board, the term "Senior Management Personnel" shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management one below the whole-time Directors including all functional heads.

- b) The Nomination and Remuneration Committee shall recommend to the Board a policy, relating to the remuneration of the Senior Management and other employees.
- c) The nomination and Remuneration Committee shall, while formulating the policy under sub- section (3) ensure that-
  - i. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - ii. Remuneration to senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

During the year under review, the Committee met 4 times on the following dates: 13.08.2019, 13.12.2019, 24.02.2020, 04.03.2020. The attendance of the members of the Committee during 2019-20 is produced below.

Name of the Committee Members	Position
<b>13th Meeting of Nomination &amp; Remuneration Committee held on 13.08.2019.</b>	
1. Shri Ravi Mathur, Independent Director	Chairman
2. Smt. Shakti Munshi, Independent Director	Member
3. Shri R.N. Singh, PED (Infrastructure)/ Rly.Bd.	Member
<b>14th Meeting of Nomination &amp; Remuneration Committee held on 13.12.2019.</b>	
1. Shri Ravi Mathur, Independent Director	Chairman
2. Smt. Shakti Munshi, Independent Director	Member
3. Shri R.N. Singh, PED (Infrastructure)/ Rly.Bd.	Member
<b>15th Meeting of Nomination &amp; Remuneration Committee held on 24.02.2020.</b>	
1. Shri Ravi Mathur, Independent Director	Chairman
2. Smt. Shakti Munshi, Independent Director	Member
3. Shri R.N. Singh, PED (Infrastructure)/ Rly.Bd.	Member
<b>16th Meeting of Nomination &amp; Remuneration Committee held on 04.03.2020.</b>	
1. Shri Ravi Mathur, Independent Director	Chairman
2. Smt. Shakti Munshi, Independent Director	Member
3. Shri R.N. Singh, PED (Infrastructure)/ Rly.Bd.	Member

#### Remuneration of Directors

DFCCIL, being a wholly owned Government Company under Companies Act, 2013, the whole-time Directors of the Company are appointed by the President of India through Ministry of Railways. The functional Directors so appointed, draw remuneration under Industrial Dearness Allowance (IDA) pattern of pay scale pre-determined by the Government and as per the terms and conditions issued by the Government of India from time to time.

The part-time official (Government Nominee) Directors on the Board of the Company do not draw any remuneration from the Company. They draw remuneration from the Government only as Government officials. The part time non-official Directors (Independent) draws the sitting fee for the Board/Sub-Committee meetings attended during the financial year.

The detail of remuneration paid to the whole time Directors for the year 2019-2020 is detailed below;

S. No	Name of Director	Salary & Allowances	Other Benefits Perks 17(2)	Performance linked incentives	Total (In Rs.)
1	Shri Anurag Kumar Sachan (Managing Director)	4369183.00	—	—	4369183.00
2	Shri Anshuman Sharma Director (PP)	4350038.00	648756.00	—	4998794.00
3	Shri D.S. Rana Director (Infra)	3252110.65	—	—	3252110.65
4	Ms Meenu Kapoor Company Secretary	1977547.00	311514	—	2289061.00
	<b>Total</b>	<b>13948878.65</b>	<b>960270.00</b>	<b>—</b>	<b>14909148.65</b>

**Detail of sitting fee paid to the Part-time non official Directors for the financial year 2019-20:**

Detail of sitting fees paid to two Independent directors during the year 2019-20 are as follows:-

S.No.	Member	Sitting Fees	Total No. Meetings attended including sub committees' meetings during their tenure
1	Shri Ravi Mathur, Independent Director	2,20,000/-*	11
2	Smt. Shakti Munshi, Independent Director	2,20,000/-*	11
3	Shri B. Ramana Kumar, Independent Director	80,000/-*	4

\*Sitting fees paid to directors excluding Goods and Services tax paid under reverse charge mechanism.

**5. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of the "Board" was originally constituted on 13.06.2014 and was reconstituted from time to time. The composition of the Corporate Social Responsibility Committee as on the date of report is as follows:

S. No.	Member	Designation	Date of holding the membership of the Committee
1.	Shri R. N. Singh	Nominee Director (MoR)	26.08.2020
2.	Shri B. Ramana Kumar	Independent Director	26.08.2020
4.	Shri Nanduri Srinivas	Director (OP & BD)	26.08.2020

**Terms of Reference:**

The Corporate Social Responsibility Committee shall, -

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

During the financial year 2019-2020, the Committee met two times on 19.07.2019 & 13.08.2019 respectively.

**6. General Meetings.****Annual General Meetings.**

The Annual General meetings of the Company are held at New Delhi, where the registered office of the Company is situated. The details of such meetings held during the last three years are as under:

AGM	Year	Venue	Date	Time
11th	2016-2017	Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001.	26.09.2017	12.00 Hrs
12th	2017-2018	Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001.	26.09.2018	12.00 Hrs
13th	2018-2019	Vichar Conference Hall, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi- 110001.	26.09.2019	12.30 Hrs

**Detail of special resolutions passed in the last three AGMs.**

AGM	Year	Subject Matter of the Special Resolution	Date	Time
11th	2016-2017	Nil	26.09.2017	12.00 Hrs
12th	2017-2018	Nil	26.09.2018	12.00 Hrs
13th	2018-2019	Nil	26.09.2019	12.30 Hrs

## 7. Disclosures

- There has not been a reported materially significant related party transaction except the disclosed vide note 30 to the financial statements.
- All the terms of expenditure debited in the books of accounts of DFCCIL are for the purpose of project execution entrusted to DFCCIL and are related to project execution.
- There are no personal expenses incurred for the Board of Directors.
- The Net administrative expenses as a percentage of total expenses have increased from 2.87 % in 2018-19 to 3.05 % in 2019-20.

## 8. Corporate Communication

- DFCCIL's vibrant presence on a multitude of social media channels:** DFCCIL has a dynamic social media engagement on Twitter, Facebook and YouTube. It is widely followed by an array of stakeholders and Public at large. Major accomplishments, inaugurations, events and participation in exhibitions etc are showcased on the Social Media channels which have registered impressive organic growth. The status of DFCCIL Social media as on 01.04.2020 is as below:

Facebook Page (verified)	Twitter Handle (verified)	YouTube Channel (verified)
Page Created on : 26.06.2015	Account created on : 09.09.2015	Channel started on : 03.12.2015
No. of followers : 12189	No. of followers : 11260	No. of videos uploaded : 59
No. of posts & shares: 696	No. of tweets and replies: 1543	No. of subscribers : 1360
Photos/videos uploaded: 700	Pictures/videos attached: 567	Total number of views : 12 lakh+
Followers based has increased by 100% in a year time.	Followers based has increased by 100% in a year time. Reach of the posts in a year was 28 lakh 16 thousand.	73% increase in the subscribers page in you tube channel.
Posts done in a year 194 and reaches of 16 Lakh.		

- Press Release:** Since 01.04.2019 a total number of 24 Press Releases were issued to the national media. Hindi Version of Press Releases was also issued along with English for wider reach and publicity.
- One-on-One interaction with the Media:** Direct interaction of Managing Director, Directors and in-charge of happening places of DFCCIL with Press Correspondents of leading news organizations have been organised and articles featuring DFCCIL have been published in different leading newspapers.
- Coverage in Television Media:** Special programs/interviews were telecasted on DD, Rajya Sabha News, ANI, News 24, India News and Times Networks ET Now Channel etc. More than hundred mention of DFC on different Electronic channel.
- Coverage in Print Media:** During the period local media coverage covering various facets of DFC's construction and completion of important segments have been covered in English, Hindi and other regional languages.
- Printing of Publicity Material:** Bilingual leaflets on features of the project have been updated and printed. Leaflet on the environmental features were also published during the period.
- Participation in Exhibitions:**
  - National Railway Award function - cum - Exhibition at Mumbai on 07/07/2019
  - National Railway Award function - cum - Exhibition at Ranchi on 14/07/2019
  - National Railway Award function - cum - Exhibition at Ambala on 21st/22nd July 2019.
  - 13th International Railway Equipment Exhibition from 22nd - 24th October, 2019 at Aerocity exhibition ground, New Delhi.
  - Global Exhibition in Services in Bengaluru from 26th to 28th November 2019 (Organise by Department of Commerce, Government of India).
  - CLIT Exhibition Delhi- In this event, DFCCIL has acted on behalf of India.
  - DFCCIL Achievements Exhibition at 14th Foundation Day of DFCCIL on 18.01.2020.



## 8. Press Tour: Seven press tours have been organised by DFCCIL

- (a) Press tour was conducted to cover trial run of freight train in Madar-Kishangarh-Balawas section on 27/12/2019.
- (b) Media tour was conducted with World Bank delegation to visit OCC complex at Prayagraj in EDFC and inspection of Prayagraj to Kanpur section on 28.01.2020. Senior World Bank executives & MD DFCCIL along with senior officials from both these organisations & contractors were present. Many prominent news organizations from Print and Electronic Media attended the conducted Press Tour. This Press Tour got a very good coverage in newspapers, news channels and web media.
- (c) Media tour organised to attend press conference at New Phulera of WDFC on 05.03.2020 which was addressed by MD.
- (d) Press Tour- Bhadan-Khurja Section during windows trolley inspection by MoS Railways, Shri Suresh Angadi.
- (e) Press tour of Bhadan-Khurja Section before the budget to create awareness on DFCCIL .
- (f) Press tour during trial run of 25 ton Axle load wagons in Rewari-Madar Section.
- (g) Press tour with Independent Director Window trolley inspection of Ateli- Phulera Section.

9. **14th Foundation Day:** DFCCIL organised its 14th Foundation Day on 18th January, 2020. Hon'ble Minister of Railways graced the occasion as Chief Guest and commended the achievements of the organisation and also gave away annual awards to officers and employees.
10. **Publishing of Advertisement:** DFCCIL's Corporate Communication team undertakes printing of all advertisements related to tender or other notifications in newspapers from the Corporate Office.
11. **Advanced Media Monitoring:** With the advent of new technology DFCCIL has adopted a more efficient and swifter way to monitor print, web and TV media. The PR department scans newspapers every morning and send the news clipping related to DFCCIL and Indian Railways to MD and Directors.
12. **Indian Railways & Bharatiya Rail Magazines:** DFCCIL articles for publication in Indian Railways (English) and Bharatiya Railways (Hindi) magazines.
13. **DFCCIL Website:** The website of DFCCIL is the main gateway of information for internet users. DFCCIL strives to put all important information which need t be disseminated among general public so that they should be well informed about DFCCIL and at the same time transparency is maintained on the project activities and developments. As part of efforts of improving the website and make it more user friendly, DFCCIL has given it a refreshing look and made its more attractive.
14. **Corporate Film on DFCCIL:** DFCCIL has made a Corporate Film which includes general information; progress of project etc. to help the viewer to get a complete picture of the project as real visuals from the locations have been used in the film.
15. **Training & Workshop on Communication:** DFCCIL executives its corporate plan through nominated PR staff working in different field units. The staff involved in PR activities need to be trained on new practices of communication and should be updated on the communication strategy which keeps on changing according to time and situations. For this, workshops and training sessions are being organized by DFCCIL regularly.
16. **Communication Strategy:** DFCCIL reviews its communication strategy on regular basis based on the feedback.

## 9. Audit Qualifications

The Auditors' Report submitted by M/s S. R. Dinodia & Co. LLP, Chartered Accountants doesn't contain any qualification and hence no explanation or comments are required.

## 10. Training of Board Members

DFCCIL is concerned to take various training programs for its officers/ employees. The Board Members and Senior Management personnel are nominated for various training programs, from time to time. The detail of training of officers and Employees is being dealt separately in Corporate Governance Report.

## 11. CEO/CFO CERTIFICATION

The certificate duly signed by the Chief Executive Officer and CFO as presented to Board of Directors, is annexed as **Annexure "B-1"** to the report.

## 12. Code of Business Conduct & Ethics

The Company has in place the Code of Conduct for Board Members and Senior Level Management duly approved by the Board of Directors. At 36th meeting of the Board, the Code of Business Conduct and Ethics for Board members and Senior Management which came into force w.e.f. 1st day of April 2009 was replaced by the Model Code of Conduct as suggested in DPE guidelines. In terms of Code of Conduct for Directors and Senior Management Personnel, the annual affirmation that Code of Conduct has been complied with has been obtained from all the functional Board members and Senior Management Personnel. The Code of Conduct is also posted on the Website of the Company [www.dfccil.com](http://www.dfccil.com). A declaration signed by the Managing Director affirming the compliance with the code of conduct by the Board Members and Senior Management Personnel during 2019-20 is placed at **Annexure "B-2"**.

## 13. Whistle Blower Policy

DFCCIL believes in creating a culture where it should be safe for all the employees to raise concerns about any unethical practices or misconduct. This policy provides a framework to enable employees wishing to raise a concern about serious irregularities within the Company without fear of victimisation and covers protected disclosures by employees of DFCCIL including those on deputation. DFCCIL is committed to ensuring that no unfair treatment is meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy in good faith including protection against discrimination, harassment, threat or intimidation, termination/suspension of service, disciplinary action and victimization. A person making a "Protected Disclosure" under this Policy can request the CVO for such protection. Complete details regarding the Whistle-blower Policy of DFCCIL is clearly provided under the vigilance section on DFCCIL's website.

## 14. Compliance Certificate

The Certificate from a practicing Company Secretary regarding compliance of the conditions of Corporate Governance in accordance with the guidelines issued by Department of Public Enterprises forms the part of the Annual Report. (**Annexure "B-3"**).

15. The Annual Return as referred in Sec 92(3) of the Companies Act, 2013 is uploaded at [www.dfccil.com](http://www.dfccil.com).



**DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED**  
A GOVERNMENT OF INDIA (MINISTRY OF RAILWAYS) ENTERPRISE

## **MANAGING DIRECTOR AND DIRECTOR FINANCE/CFO CERTIFICATION**

We have reviewed the Financial Statements including the Balance sheet, Statement of Profit & Loss, and the Cash Flow Statement, Statement of changes in equity and related explanatory notes for the financial year 2019-2020 and to the best of our knowledge and belief:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (iii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct;
- (iv) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies;
- (v) We have indicated to Auditors and the Audit Committee, improvements in Accounting Policies during the year, and that the same have been disclosed in the Notes to the Financial Statements; and
- (vi) There was no instance of fraud nor there has been involvement of the Management or an employee having a significant role in the Company's internal control system over financial reporting, of which we are aware.

Sd/-

**Hira Ballabh**  
Director Finance

Sd/-

**R.N. Singh**  
Managing Director

## **Declaration by Managing Director regarding compliance with the Code of Business and Ethics Conduct by Board members and Senior Management during F.Y 2019-2020.**

I, Anurag Kumar Sachan, Managing Director, Dedicated Freight Corridor Corporation of India Limited do hereby declare that all the functional members of the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Business and Ethics Conduct during 2019-2020.

Place: New Delhi  
Date: 28.07.2020

Sd/-  
**(Anurag Kumar Sachan)**  
Managing Director



## *Balika Sharma And Associates* *Company Secretaries*

Address : Flat No. 211 pocket A / 3,  
Sector-7, Rohini, New Delhi, Pin Code -110085  
Mobile : 9811387946 • E-mail Id: balikasharma@gmail.com

# COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of,  
Dedicated Freight Corridor Corporation of India Limited  
5th Floor, Supreme Court Metro Station Building Complex,  
Delhi-110001  
CIN:U60232DL2006GOI155068

**REG: COMPLIANCE CERTIFICATE WITH REFERENCE TO COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER GUIDELINES ON CORPORATE GOVERNANCE FOR CENTRAL PUBLIC SECTOR ENTERPRISES 2010.**

1. This Certificate is in accordance with compliance of conditions of Corporate Governance by **DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED**, (Hereinafter referred to as "Company") for the Financial Year ended on 31st March, 2020 as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprise (DPE), Government of India.
2. The Compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification and have been provided with such records, documents, certifications etc., as had been required by us.
4. We certify that in respect of the aforesaid financial year 31st March 2020, the company has complied with various provisions of the Guidelines in its Corporate Governance Report.
5. We certify that in respect of the aforesaid financial year 31st March 2020, the company has complied with various provisions of the Guidelines in its Corporate Governance.

Place: New Delhi  
Date: 02.11.2020

Sd/-  
**Balika Sharma & Associates**  
Company Secretaries  
FCS No.: 4816  
C P No.: 3222  
UDIN No. F004816B001132866

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## Industry Structure and Developments

The Indian economy has been benefitted considerably from the infrastructure sector. A direct impact on the development can be seen from the physical infrastructure. An important component in the infrastructure sector across India is road and rail transport. The sector has expanded manifold since independence. The network is composed of rural and district roads, national, and state highways.

Infrastructure development and investments in the railway sector in India has also been quite significant. The industry is the backbone of long-distance domestic transport that has made the country's rail network the third largest across the globe.

Government is prioritizing on improving the overall infrastructure for faster development with the help of National Infrastructure Pipeline (NIP) project. For railways, semi high-speed corridors and dedicated freight corridors are the focus for improvement.

"The Dedicated Freight Corridor (DFC) project is one of the identified projects of the Government which is of public importance, the Prime Minister mentioned about the project during his speech on 74th Independence day. The industrial corridors would improve infrastructure availability for greater industrial investment in the catchment regions, the dedicated freight corridors would mitigate the congestion of our railway network benefitting the common man.

**The Vision and the Mission of the Company is as follows:**

### VISION

To create a partnership with IR for retaining and expanding the market share of rail through efficient and reliable service with customer focus.

### MISSION

As the dedicated agency to make the vision into reality, DFCCIL's mission is

- 1) To build a corridor with appropriate technology that enables Indian Railways to regain its market share of freight transport by creating additional capacity and guaranteeing efficient, reliable, safe and cheaper options for mobility to its customers.
- 2) To support the Government's initiatives towards ecological sustainability by encouraging users to adopt Railways as the most environment friendly mode for their transport requirements.

## Capital Expenditure on Project Execution

As on 31st March, 2020, the Cumulative expenditure on Project Execution (other than land) is ₹44,642.81 Crores out of which includes Tangible Assets is ₹25.30 Crores, Capital Work in progress is ₹37,956.62 Crores, Right-of-use assets is ₹75.42 crores, Intangible assets is ₹0.10 crores, Intangible assets under Development is ₹17.71 Crore and Capital advances ₹6,567.66 Crore. The gross expenditure during the year 2019-20 on project execution is ₹12,262.65 Crore which includes tangible assets is ₹7.65 Crore, Right-of-use assets is ₹75.42 crores, Other intangible assets is ₹0.01, intangible assets under development is ₹6.35 Crore, Capital Advances is ₹400.54 Crore and Capital Work in Progress ₹12,573.76 Crore.

### Strength

- a) DFCCIL has its own Environment Policy and SHE manual, prescribing all safe procedure during the construction of work both the documents guide construction procedure to integrate environmental protection and social development in its mandates, in a proactive manner, to contribute towards Sustainable Development. DFCCIL has full-fledged Social and Environmental Management Unit (SEMU) for monitoring the implementation of Social and Environmental Safeguards at DFCCIL worksites. Before onset of any construction activity contractor is advised to prepare safe SOP and Design specific Environment management plan to reduce the anticipated impact during the activities.
- b) Upgraded dimensions of DFC wrt height, width, train length and train load capacity. Double stack container moving capacity on WDFC.
- c) 1500 meter length Long hauls on DFC to reduce the cost of transportation on both EDFC and WDFC.
- d) Upgraded design features like high axle load with maximum speed of 100kmph for goods trains running over DFC will enable swift movement of higher loads.
- e) Assured and time tabled delivery of Goods.



- f) Availability of on hand brownfield goods sheds/Freight terminals with DFCCIL at New Philkhani, New Mandi Govindgarh, New Kolanour, New Khanna and New Mughalsarai.
- g) Development of Greenfield freight terminals various locations along the freight corridor.
- h) MMLP at Kanpur is planned to be developed and an area of 61 hectares is already under acquisition.

### Weakness

- a) Massive work and planning to be done for strengthening business of DFCCIL with limited resources.
- b) Need for a modern, state of art exclusive customer meeting hall/mini customer lounge with BD for small meeting with business communities on regular intervals.
- c) Need for specialized Business executives with BD branch for marketing activities and tapping new streams of business.

### Opportunity

- a) Huge scope for attracting new traffic and new customers over DFC due to its world class features.
- b) Need for reduction of cost of logistics of the country from existing 14% to 8% and DFC to play vital role.
- c) Scope to reduce cost of logistics of the country by DFC: India ranked 44 in the World Bank Logistics Performance Index 2018, logistics costs in India is 14 per cent of the product cost, while the global average is six per cent. DFC could play vital role in reducing the cost of logistics of the country from existing 14% of GDP.
- d) Long haul and heavy haul operations over DFC to attract more rail operators over DFC
- e) DMICDC and AKIDC developing its terminal along with dedicated freight corridor.
- f) Development of MMLPs and Freight terminals at various locations over DFC.
- g) Scope for Partnership with various public and private sector companies.
- h) DFC to play key role in supply chain management with special partnership with CRWC and CONCOR.
- i) Major opportunity in transportation of goods from Western ports like JNPT, Hazira, Pipavav, Kandla, Mundra etc.
- j) Rise in future scope for transportation along with Inland water ways and DFC is already providing connectivity to IWAI terminal/ Varanasi.
- k) Huge scope to capture Mumbai and Ahmadabad borne white goods traffic.
- l) Handling facilities could be developed at Palanpur and Prithala.
- m) Scope to run Road railer over DFC for rail road intermodal service. MOU with Kirloskar group is under deliberation.
- n) Support from IR/MOR on regular basis for development of various aspects of Business development.

### Threats

- a) During single operator regime, DFC mainly to be a transporter of IR rakes with same rolling stock.
- b) Limited usage of the advantage of increased moving dimensions over DFC with same rolling stock from IR.
- c) Need for expeditious Strengthening of feeder routes to tap business opportunities
- d) Lack of tariff mechanism under the control of DFCCIL as long as IR is the single operator.
- e) Lack of clarity on multi operator regime and calculation of TAC
- f) Cost of land to be included in the TAC in the Multi operator regime may make DFC tariff costlier and less competitive.
- g) No return on equity during single operator regime.

### Strategies

- a) Consultation for Track Access Charges computation for DFCCIL has already been awarded to M/S KPMG.
- b) In-principle approval for connecting 18 Private sidings/PFTs/Ports has been accorded by BD wing of DFCCIL. Out of which, DPR and ESP has been approved for 10 projects.

- c) MOUs have been signed with Gujarat Infrastructure Development Board (GIDB), Haryana State Industrial and Infrastructure Development Corporation Ltd. (HSIIDC), DMIC Haryana Multi Modal Logistic Hub project Ltd. (DMMLH), Inland Water ways Authority of India (IWAI).
- d) Positive expectations from logistics and transportation industry on DFC.

## Outlook

The Company is looking forward to create a state of art world class infrastructure that will have the capability of bringing about a paradigm shift in the transportation sector in India. The Company is committed to ensure the quality as well as safety in the implementation of the project. In this regard, steps are taken to give adequate training to field staff to acquaint them with best international construction practices.

In the year 2020-2021 out of the Total 2800 Km of DFC planned route km 40% of track i.e. 1100 km will be operational. In WDFC from Palanpur to Rewari 641 km will be functional and this will boost the NCR portability to Gujarat port and Gujarat ports faster connectivity to Northern and Eastern India. In EDFC 341 route KM between New Bhaupur to New Khurja will help NCR in easing congestion of the section and will also help in increasing the punctuality performance section of NCR.

Similarly in ECR, train coming from CCL coal field area have to wait at Sone Nagar for getting path will move nonstop through DFC Route from Ganjkhawaja - Chiralapathu Station.

Operationalisation of the section will bring vistas of opportunity for trades, Commerce and Industries along these two East and West freight Lines.

## Road Ahead

DFCCIL is committed to its motto of '**SSS**' - '**Sincerity, Speed and Success**' which would lead to fulfillment of Organization's Mission, Vision and Objectives.

## Risks

The Enterprise Risk Management Framework has been implemented with effect from 1st December 2014. A Risk Management structure has already been defined, which comprises of a Risk Management Committee (RMC) consisting of three members. The Chief Risk Management Coordinator (CRMCO) is the nodal point for coordinating and managing all the risk management activities reviewed and approved by RMC. The head of various departments such as Civil, S&T, IT, Administration, Electrical, Operation, Business Development, Finance, Human Resources etc. and all CGMs act as Risk Mitigation Plan Owners (RMPOs) are responsible for risk identification, its prioritization and for framing the mitigation plan. In order to ensure that there are appropriate controls in place for the risk management activities, a risk monitoring and assurance mechanism has been provided for a part of Enterprise Risk Management Framework to assess the effectiveness of mitigation plan for a particular risk.

While striving to meet the corporate mission and corporate objectives, risks and concerns go hand-in-hand along with the opportunities. Risk Management Policy aims to strike a balance between company's strength, weaknesses, opportunities and threats on one hand with the real and potential risks on the other hand.

The Company Risk Management Policy establishes a documented Risk Management Framework and assign responsibilities to its employees to take corrective and preventive measures. The Risk Management Framework is being reviewed and upgraded periodically and also Company strives to increase awareness among its employees to implement the Risk Management Policy. The Risk Management Framework is being strengthened by building in Financial and Departmental Risks being faced by DFCCIL. The response to these risks are being built through appropriate mitigation strategies and taking steps to have the same addressed through initiatives at unit(s) and Corporate level.

## Concerns

"In the Balance Sheet as on 31.03.2020, the amount shown under Capital Work in Progress represents the expenditure incurred by the Company on construction of Eastern and Western Dedicated Rail Freight Corridors. The Company has entered into an agreement with MOR to implement the project including its operations and maintenance for a period of 30 years. As per this agreement, the Company will charge track access charges for use of this facility.

"Consequent upon discussion with CAG, the Company has approached Expert Advisory Committee (EAC) of ICAI for seeking its opinion on appropriate accounting treatment of capital expenditure incurred by the Company on such project. During the year, an opinion of EAC was received vide its letter number TD/EAC/1694/19. After a detailed deliberation, the Company has sought additional clarification from EAC.

Upon receiving the final clarification, the Company will deliberate on accounting treatment of such capital expenditure in its books of account for appropriate action. Outcome of this issue under deliberation may have significant accounting/financial/taxation implications on DFCCIL."

## Internal Control Systems

In any organization, internal control being an integral process, effected by an entity's Management and personnel is designed to address risks and to provide reasonable assurance that in pursuit of entity's mission, the general objectives of executing the operations more orderly, ethically, economically, efficiently and effectively is achieved and the resources are safeguarded against loss, misuse and damage.

The company has internal systems and processes in place, which ensures the execution of operation more orderly, ethically, economically, efficiently, and effectively, which is adequate and commensurate with the size of the Company. However, Internal Control being the ongoing process, the Management is committed towards its continuous improvement.

Statutory Auditor of the Company vide Annexure "C" to the Independent Auditor's Report on the Internal Financial Control in compliance of Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 have commented that the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

## Industrial Relations

DFCCIL organized training programme on leading with emotional intelligence on 17th and 18th May 2019 at JP Greens Golf Course and Spa Resort, Greater Noida.

Training programme was attended by officers from senior management and other nominated officials from Corporate and project offices. Training sessions were conducted by eminent professors Shri Rajesh Upadhyay of renowned institution known for imparting highly effective HR management skills in emotional aspect of corporate management. Two days residential training schedule enormously nurtured and honed managerial traits for effective and productive management.

### DFCCIL celebrates its 14th Foundation Day on 18.01.2020.



Running Shield for the Western Corridor was awarded jointly to Ajmer & Ahmedabad units by Shri Piyush Goyal, Hon'ble Minister of Railways and Commerce & Industry in the presence of Shri Vinod Kumar Yadav, Chairman Railway Board & Chairman DFCCIL and Shri Anurag Sachan, MD DFCCIL



Running Shield for the Eastern Corridor was awarded jointly to Mughalsarai unit by Shri Piyush Goyal, Hon'ble Minister of Railways and Commerce & Industry in the presence of Shri Vinod Kumar Yadav, Chairman Railway Board & Chairman DFCCIL and Shri Anurag Sachan, MD DFCCIL

DFCCIL celebrated its 14th Foundation on 18.01.2020 at Manekshaw Auditorium in New Delhi. On this occasion Shri Piyush Goyal, Hon'ble Minister of Railways and Commerce & Industry was the Chief Guest. Other dignitaries present were Shri Vinod Kumar Yadav CRB & Chairman, DFCCIL, Smt. Manjula Rangarajan, Financial Commissioner Railway Board, Shri Pradeep Kumar, Member S&T, Railway

Board, Ms Pinky Anand Additional Solicitor General, Shri Anurag Sachan, MD DFCCIL, Shri Anshuman Sharma Director/PP, Shri Naresh Salecha Director/Finance, Shri Vivek Srivastava, Director/OP & BD. An array of senior officers from Railway Board, DFCCIL, PSUs, World Bank & JICA, Stakeholders and representatives from Electronic and Print Media attended the event.

Speaking on the occasion, Shri Vinod Kumar Yadav Chairman, Railway Board and Chairman DFCCIL, enunciated that consolidation, growth and reforms are the three crucial areas in which Indian Railways are working on. He praised that Dedicated Freight Corridors are ushering in a paradigm change in Indian Railways and asserted that DFCCIL will play a significant role in shaping the Indian economy. He said that IR is upgrading the Railway network, especially the Delhi - Mumbai and Delhi - Howrah for running faster and modern trains. He further emphasized that by having acquired 98.5 % land DFCCIL is on the fast track for project completion.

Shri Anurag Sachan, MD, DFCCIL, while addressing the august gathering on this occasion profusely recognised the dynamic leadership and continuous support of Shri Piyush Goyal. He also assured that team DFCCIL will work hard to complete the project on time.

#### **First ever Sports meet organized by DFCCIL in Karnail Singh Stadium at New Delhi from 14.02.2020 to 15.02.2020.**

DFCCIL organized its 1st ever sports meet 2020 which was participated by selected representative in various sports and games from all the project offices and Corporate office. The gala event was also marked by first ever cultural night held in National Rail Museum showcasing abundant talent in field of dance and music. The overwhelming and enthusiastic participation made the entire event a memorable one. The winners in various sports and cultural event were awarded by Shri Anurag Sachan MD/DFCCIL in glittering concluding ceremony.

### **Environment Protection and Conservation**

- a) DFC project integrated implementation of “International Standards, Guidelines & ISO Certifications” in all Contract Packages during construction phase and all contract packages has got ISO 14001 and OSHAS Certifications.
- b) For reducing the impact of train noise and rail noise, DFCCIL has planned to install Noise Barrier near Sensitive Receptors to attenuate the raised Noise level due to operations of trains and in construction of two Noise barrier during the year in Khurja - Bhaupur section has been done.
- c) During the year various Environmental and Safety awards have been obtained in various section of DFCCIL like RoSPA Golden and Silver Award, International Safety Award and British Council Awards for Construction Safety and Innovation award for adopting various practices during construction phase.
- d) MD, DFCCIL issued a message based on theme “Beat the Air Pollution” on the occasion of World Environment Day on 5th June 2019. This was disseminated widely and same Planation drive, has also been conducted. All national day related to Environment, workmen safety like HIV AIDS awareness, fire safety Day National safety Day are being celebrated time to time at filed units.
- e) Capacity building workshop for all DFCCIL officials, PMC officials, Contractor and NGO for implementation of Safeguards polices, Environment Management are regularly being organized at field units by the team of professional experts.
- f) DFCCIL all contract packages has achieved Safe Million working Hours without any Loss Time injury and even at site labor welfare facilities like rest shelter, first aid and drinking water has been provided and basic sanitation like portable toilet for labor has been kept at work fronts .
- g) During the year various Forest Clearances have been accorded by the Forest Dept. MoEFF&CC. Compliances of all statutory clearances like Consent to Operate (CTO)/ Consent to Establish (CTE) and No Objection Certificate (NOC) duly ensured by the DFC deployed PMC engineer and DFCCIL SEMU unit.
- h) During the year mass plantation drive at construction site is also undertaken under DFC constructions site and till 2020 approx. 45000 trees have been planted.
- i) DFC corridor is passing through wild life sanctuary, DFCCIL has given Wildlife institute of India Dehradun, to prepare mitigation plan to reduce the impact caused due to alignment passing through the Wildlife sanctuary and based on that all preventive measures will be taken by the DFCCIL.

### **Social Safeguards Measures**

- a) DFCCIL being one of the prestigious projects of India has responsibly taken all the necessary measures to safeguard environmental and social risks arising out of the project, if any. The interest of Project Affected Persons (PAPs) has always been considered and maximum benefits and compensation are being provided to PAPs as per applicable law. To ensure implementation of Right to Fair Compensation and Transparency in Land Acquisition Resettlement & Rehabilitation (RFCT-LARR) Act 2013, Railway Board approved new Entitlement Matrix based on above said Act., which covers category wise various entitlements to Project Affected Persons (PAPs) with enhance compensation.
- b) The “Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013 (RFCT-LARR) has become applicable for land acquisition by DFCCIL With effect from 01.01.2015. Accordingly, the provisions of the new act with



regard to compensation and R&R are applicable to all acquisition being undertaken by DFCC. The Entitlement Matrix has been made available on DFCCIL website, all CGMs office and were disseminated at public places for information. Disbursement of ₹971.9 Crores against total ₹1122.7 Crores resettlement and rehabilitation award has also been completed in both EDFC & WDFC.

- c) To minimize the impact of land acquisition and involuntary resettlement on PAPs all the necessary measures were taken and best viable option being considered. DFC has a well formulated Resettlement Policy Framework (RPF) and timely issue of Addendum on 14th Dec'2018 for direct purchase policy to take appropriate resettlement and rehabilitation measures for persons / household adversely affected due to implementation of DFC project. To meet the World Bank & JICA Social safeguard policies compliance, Resettlement Action Plan (RAP) inclusive of Social Impact Assessment (SIA) & Rehabilitation and Resettlement Plan (RRP) have been prepared for both EDFC & WDFC and uploaded on DFCC's website for public information. The services of NGOs were taken for implementation of RAP, preparation of Micro Plan and assist in resolution of various grievances of PAPs.
- d) Social & Environmental Safeguard Monitoring and Review Consultant (SESMRC) has been appointed by DFCCIL for EDFC-1, EDFC-2 and EDFC-3. SESMRC consultant's role is to monitor & review the progress of land acquisition and R&R, implementation of RAP & EMP and to provide suggestions for improving the same. They continuously monitor the implementation plan of the RAP and submit quarterly report on the progress and shortcomings. It has helped DFCCIL in monitoring the project personnel take adequate caution in ensuring a quality and safe work environment. SESMRC for EDFC-3 i.e. Sahnewal-Pilkhani section, 175 Kms & Khurja-Dadri section, 46 Kms and Pilkhani - Khurja section, 221 Kms (Total 442 kms) and for EDFC-2 i.e. Bhaupur-Mughalsarai section, 393 Kms are submitting monitoring report with recommendations.

## HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

### 1. Mission and Values

The HR Department serves the interests of the organization by supporting, developing, and protecting its most valuable resource - 'People'. It is committed to providing quality services in an environment of continuous change for achieving business results through development of world class HR core competencies, by promoting innovation through continuous learning and employee empowerment and by building a collaborative organization characterized by challenging and supportive work environment that offers opportunities for both employee and organizational growth and at the same time being guided by ethical and professional standards.

### 2. Manpower Mobilization

For successful functioning of our organization, placement of right manpower at the right place at the right time is of paramount importance. Taking into consideration the long-term requirements of the organization, 656 manpower has been inducted from various sources - 635 candidates joined through open market recruitment and immediate absorption. In addition to above, total of 21 posts were filled through Permanent absorption at various levels/cadres. Also, 45 manpower have been inducted on re-employment & contract basis mainly in Civil, Finance & IT department. Department of Public Enterprise has granted exemption of 400 below Board level posts in DFCCIL from the rule of immediate absorption upto 31.12.2021. During the year, 89 employees have joined DFCCIL on deputation basis. With new induction, total strength as on 31.03.2020 is 1782 employees (1387 - Permanent, 274 - Deputation, 68 - Re-employed, 43 - Contract & 10 - Consultants).

### 3. Policy Initiatives

Following policies have been introduced during the year:

- (i) Amendment in Promotion Policy for E0 and above grade employees.
- (ii) Retention of company leased accommodation on transfer
- (iii) Amendment in Immediate Absorption Policy
- (iv) Amendment in Existing Bond Policy
- (v) Guidelines for leave /allowances of employees during induction training
- (vi) Procedure for sanction of traveling/ daily allowance on foreign tour
- (vii) Revisions of perks and allowances other than basket as per 3rd PRC
- (viii) Retention of lien for DFCCIL employees
- (ix) Revision of remuneration of retired Govt/PSU employees engaged as Advisor, Consultant and on re-employment basis in DFCCIL
- (x) Review of manpower of DFCCIL in Operations Phase
- (xi) Revised policy and procedure for probation clearance

## Training

The Learning & Development initiatives at DFCCIL are planned to be strongly aligned with the current and future leadership requirements to achieve organizational aspirations articulated in terms of vision, mission and objectives. Our initiatives are designed and administered with the intent of unlocking the potential of human capital across the organization, develop a leadership pipeline at all level and to build critical organizational capabilities required for achieving corporate plans. All out efforts are made to ensure that the employees in the organization are given wide exposure to varied Learning & Development opportunities based on the business requirements and their individual potential.

Since DFCCIL is a Construction Organization which will soon enter its Operational phase, emphasis is given on technical trainings focusing on latest developments, nationally and internationally in the concerned fields like Construction Management, Safety Management, covering Environmental Management as well. Training at DFCCIL includes Induction Training, Technical Training, Refresher Training, General Management Training, Behavioral Training, Leadership Training. Along with these, extensive attention is also given to training programs aiming at Emotional Intelligence, Stress Management and other Sensitization programs for an effective leadership and a balanced and productive manpower.

During the year 2019-20, Induction and Specialized Technical Trainings were organized at various Railway Training Institutes for more than 500 (appx.) fresh recruits.

Based on the Training need analysis done by HR involving Chief General Managers (Field Officers) and GGM/GMs of Corporate Office, a detailed Training Plan was prepared which was also approved by the World Bank. 1164 employees have undergone training during the year 2019-20 and 4429 training mandays were achieved. Training has been imparted at institutes such as IIM, ISB, MDI, NAIR, ASCI, ISTM, ICWAI, AIMA, DPC, IRICEN, IRIEEN, IRISSET, ZRTI/Udaipur and other such Institutes. Customized training programs on FIDIC, Emotional Intelligence, Leadership Development, SAP etc were also organized.

Other areas where training was imparted included Contract Management, Arbitration, Dispute Resolution, Labour Laws, Land Acquisition, Resettlement and Rehabilitation, Tunneling, Tendering and Procurement, P. Way, Bridge Module, Electronic Interlocking, GST, Disciplinary Rules and Procedures, Reservation Rules, RTI, Rajbhasha and Vigilance matters etc.

Besides this, senior officers of DFCCIL have also undergone foreign training on areas such as Program on anti-corruption, fraud and forensic audit excellence, International Heavy Haul STS Conference, Workshop on PPP, International Course on Public Policy Management, Knowledge Exchange Program on Heavy Haul Research, Advanced Leadership program etc.

## Corporate Social Responsibility

A report of Corporate Social Responsibility initiatives taken during the year under review is annexed at **Annexure -A of the Directors Report**.





## *Balika Sharma And Associates* *Company Secretaries*

Address : Flat No. 211 pocket A / 3,  
Sector-7, Rohini, New Delhi, Pin Code -110085  
Mobile : 9811387946 • E-mail Id: balikasharma@gmail.com

# **Form No. MR-3** **SECRETARIAL AUDIT REPORT** **FOR THE FINANCIAL YEAR 2019-20**

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

To,  
The Members of,  
Dedicated Freight Corridor Corporation of India Limited  
5TH Floor, Supreme Court Metro Station Building Complex  
Delhi 110001  
**CIN:U60232DL2006GOI155068**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dedicated Freight Corridor Corporation of India Limited, (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided 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, e-Forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents 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 commencing from 1st April, 2019 and ended on 31st March, 2020 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, e-forms and returns filed and other records maintained by **Dedicated Freight Corridor Corporation of India Limited ("the Company")** for the financial year ended on 31st March, 2020 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4) 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;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- 6) Being an Unlisted Public Company, the above mentioned acts given in Para 2, 3, and 5 are not applicable to the Company.
- 7) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.
- We have examined compliances of the provisions of para (i) but we have not examined compliances of the provisions of para (ii) as these are not applicable to the Company (being Unlisted Government Company).
- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors, being a government PSU, all appointments and cessation of Directors of the Company are made by the President of India. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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 as stated above.

We further report that during the audit:

1. The Company in its Board Meeting held on 16.04.2019, made the allotment of 25,40,507 (Twenty Five Lakh Forty Thousand Five Hundred and Seven) Equity Shares of ₹1000 each amounting to ₹254,05,07,000 (Rupees Two Hundred Fifty Four Crore Five Lakh Seven Thousand Only) at par.
2. The Company in its Board Meeting held on 24.12.2019, made the allotment of 3,05,38,459 (Three Crore Five Lakh Thirty Eight Thousand Four Hundred and Fifty Nine) Equity Shares of ₹1000 each amounting to ₹30,53,84,59,000 (Rupees Three Thousand Fifty Three Crore Eighty Four Lakh Fifty Nine Thousand Only) at par.

Sd/-

**Balika Sharma & Associates**

Company Secretaries

FCS No: 4816

C P No: 3222

UDIN number F004816B00113295

Place: New Delhi

Date: 02.11.2020

**This report is to be read with our letter of even date which is annexed as Annexure I and forms an integral part of this report**



## *Balika Sharma And Associates Company Secretaries*

*Address : Flat No. 211 pocket A / 3,  
Sector-7, Rohini, New Delhi, Pin Code -110085  
Mobile : 9811387946 • E-mail Id: balikasharma@gmail.com*

To,  
The Members of,  
Dedicated Freight Corridor Corporation of India Limited  
5th Floor, Pragati Maidan Metro Station Building Complex  
Delhi-110001

**CIN: U60232DL2006GOI155068**

Our report of even date is to be read along with this letter:

1. Management 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 processes 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 processes 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations & 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 Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

**Balika Sharma & Associates**

Company Secretaries

FCS No: 4816

C P No: 3222

UDIN number F004816B00113295

Place: New Delhi  
Date: 02.11.2020



भारतीय लेखापरीक्षा एवं लेखा विभाग  
कार्यालय प्रधान निदेशक लेखापरीक्षा  
रेलवे वाणिज्यिक, नई दिल्ली  
**INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT  
RAILWAY COMMERCIAL, NEW DELHI**



संख्या: पी.डी.ए./आर.सी./13-51/AA-DFCCIL/2020-21/225

दिनांक: 19.10.2020

सेवा में,

प्रबंध निदेशक,  
डेडिकेटेड फ्रेट कॉरिडोर कारपोरेशन ऑफ इंडिया लिमिटेड  
पांचवा माला, प्रगति मैदान मेट्रो स्टेशन बिल्डिंग काम्प्लेक्स,  
नई दिल्ली-110001

विषय: 31 मार्च 2020 को समाप्त वर्ष के लिए डेडिकेटेड फ्रेट कॉरिडोर कारपोरेशन ऑफ इंडिया लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, डेडिकेटेड फ्रेट कॉरिडोर कारपोरेशन ऑफ इंडिया लिमिटेड के 31 मार्च 2020 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

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

भवदीय,

(के.एस. रामुवालिया)  
प्रधान निदेशक (रेलवे वाणिज्यिक)

संलग्न: यथोपरी

4, दीनदयाल उपाध्याय मार्ग, नई दिल्ली - 110002  
4, DEEN DAYAL UPADHYAYA MARG, NEW DELHI-110002

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of **DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED** for the period ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is 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 their Audit Report dated 26.08.2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED** for the period ended 31 March 2020 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 auditors and is limited primarily to inquiries of the statutory auditors 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 Financial Position

#### Other Non-Current Financial Assets (Note 5) – ₹2422.10 lakh

Fixed Deposits amounting to ₹512.86 lakh having an original maturity period of less than 12 months have been disclosed under the head 'Non-Current -Other Financial Assets' instead of showing it under the 'Current Financial Assets –Other Bank Balances' in violation of Schedule III to the Companies Act, 2013. This has resulted in overstatement of 'Other Non-Current Financial Assets' by ₹512.86 lakh and understatement of 'Current Financial Assets –Other Bank Balances' to the same extent.

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

Sd/-

(K. S. Ramuwalia)

Principal Director of Audit  
Railway Commercial, New Delhi

Place: New Delhi  
Dated: 19 .10.2020

## Annexure “E-1 ”

### MANAGEMENT’S REPLY ON THE COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2020

Comments of Comptroller and Auditor General	Management Reply
<p><b>A. Comments on Financial Position</b></p> <p><b>Other Non-Current Financial Assets (Note 5) – ₹2422.10 lakh</b></p> <p>Fixed Deposits amounting to ₹512.86 lakh having an original maturity period of less than 12 months have been disclosed under the head ‘Non-Current -Other Financial Assets’ instead of showing it under the ‘Current Financial Assets –Other Bank Balances’ in violation of Schedule III to the Companies Act, 2013. This has resulted in overstatement of ‘Other Non-Current Financial Assets’ by ₹512.86 lakh and understatement of ‘Current Financial Assets –Other Bank Balances’ to the same extent.</p>	<p>Since the rent agreement with DMRC is for a period of more than one year and the related term deposit is mortgaged to DMRC, the company has shown it as a non-current item.</p> <p>Although the auditor's comments have been noted and necessary accounting corrections will be made in the financial statements for the next year.</p>



# **FINANCIAL STATEMENTS**

## **for the year 2019-2020**

डेडीकेटेड फ्रेट कोरीडोर कॉर्पोरेशन ऑफ इंडिया लिमिटेड  
DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED



# Balance Sheet as at March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	As At March 31, 2020	As At March 31, 2019
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	2,530.25	1,764.60
(b) Capital work-in-progress	3	3,795,661.68	2,538,285.94
(c) Right-of-use assets	28	7,541.53	–
(d) Other intangible assets	4	9.74	9.46
(e) Intangible assets under development	4	1,770.91	1,136.28
(f) Financial assets			
(i) Other non-current financial assets	5	2,422.10	1,801.73
(g) Deferred tax assets (net)	6	4,744.18	1,571.18
(h) Non current tax assets (net)	7	5,186.67	5,041.79
(i) Other non-current assets	8	763,768.80	763,511.48
<b>Total non current assets</b>		<b>4,583,635.86</b>	<b>3,313,122.46</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	9	25,667.00	28,090.91
(ii) Other Bank balances	10	8,576.20	7,014.80
(iii) Other current financial assets	5	5,162.91	4,137.68
(b) Other current assets	8	1,379.78	1,103.76
<b>Total current assets</b>		<b>40,785.89</b>	<b>40,347.15</b>
<b>Total assets</b>		<b>4,624,421.75</b>	<b>3,353,469.61</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	1,407,662.50	1,076,872.84
(b) Other equity	12	17,966.65	53,016.92
<b>Total equity</b>		<b>1,425,629.15</b>	<b>1,129,889.76</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	2,218,791.64	1,508,452.73
(ii) Lease liabilities	28	4,679.97	–
(iii) Other non-current financial liabilities	14	244,209.72	154,857.78
(b) Provisions	15	2,809.64	2,214.54
(c) Other non-current liabilities	16	51,316.00	40,085.50
<b>Total non-current liabilities</b>		<b>2,521,806.97</b>	<b>1,705,610.55</b>

# Balance Sheet as at March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	As At March 31, 2020	As At March 31, 2019
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	—	—
(ii) Trade payables	17		
a) Total outstanding dues of micro enterprises and small enterprises		19.15	—
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,758.31	2,081.81
(iii) Other current financial liabilities	14	638,472.90	487,114.84
(iv) Lease liabilities	28	2,716.09	—
(b) Other current liabilities	16	18,984.09	19,195.86
(c) Provisions	15	14,035.09	9,576.79
<b>Total current liabilities</b>		<b>676,985.63</b>	<b>517,969.30</b>
<b>Total liabilities</b>		<b>3,198,792.60</b>	<b>2,223,579.85</b>
<b>Total equity and liabilities</b>		<b>4,624,421.75</b>	<b>3,353,469.61</b>
Summary of Significant Accounting Policies	2.1		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

**For S.R. Dinodia & Co. LLP.**

Chartered Accountants

Firm's Registration Number 001478N/N500005

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

Place of Signature : New Delhi

Date : 26 August, 2020

**For and on behalf of Board of Directors of**

**Dedicated Freight Corridor Corporation of India Limited**

Sd/-

**(Ravindra Nath Singh)**

Managing Director

DIN-08488013

Sd/-

**(Hira Ballabh)**

Director Finance & CFO

DIN-08738632

Sd/-

**(Meenu Kapoor)**

Company Secretary

ACS-18954

# Statement of Profit and Loss for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
I Revenue from operations		–	–
II Other income	18	6,140.00	10,854.90
<b>III Total income</b>		<b>6,140.00</b>	<b>10,854.90</b>
<b>IV Expenses</b>			
(a) Employee benefits expense	19	1,588.21	1,446.88
(b) Finance costs	20	735.89	43.68
(c) Depreciation and amortization expense	21	2,222.83	211.42
(d) Other expenses	22	13,609.43	4,994.20
<b>Total Expenses</b>		<b>18,156.36</b>	<b>6,696.18</b>
<b>V Profit/ (loss) before exceptional items and tax (III–IV)</b>		<b>(12,016.36)</b>	<b>4,158.72</b>
<b>VI Exceptional Items</b>		–	–
<b>VII Profit/ (loss) before tax (V–VI)</b>		<b>(12,016.36)</b>	<b>4,158.72</b>
<b>VIII Tax expense:</b>			
(a) Current tax		–	852.24
(b) MAT credit entitlement		–	(852.24)
(b) Deferred tax		(2,964.54)	1,399.58
(c) Adjustment of tax relating to earlier periods		–	306.13
<b>Total tax expense (IX)</b>		<b>(2,964.54)</b>	<b>1,705.71</b>
<b>IX Profit/(loss) for the year (VII–VIII)</b>		<b>(9,051.82)</b>	<b>2,453.01</b>
<b>X Other Comprehensive Income</b>	23		
(A) (i) Items that will not be reclassified to profit or loss Re-measurement gains/ (losses) on defined benefit plans		(185.43)	(77.88)
(ii) Income tax relating to items that will not be reclassified to profit or loss		48.21	22.68
(B) (i) Items that will be classified to profit or loss		–	–
(ii) Income tax on items that will be reclassified to profit or loss		–	–
<b>Total other comprehensive income for the year, net of tax</b>		<b>(137.22)</b>	<b>(55.20)</b>
<b>XI Total comprehensive income of the year, net of tax</b>		<b>(9,189.04)</b>	<b>2,397.81</b>
<b>XII Earnings per share: (Face value ₹1,000 per share)</b>	24		
1) Basic (amount in ₹)		(7.82)	2.38
2) Diluted (amount in ₹)		(7.82)	2.36
Summary of Significant Accounting Policies	2.1		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

**For S.R. Dinodia & Co. LLP.**

Chartered Accountants

Firm's Registration Number 001478N/N500005

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

Sd/-

**(Ravindra Nath Singh)**

Managing Director

DIN-08488013

Sd/-

**(Hira Ballabh)**

Director Finance &amp; CFO

DIN-08738632

Sd/-

**(Meenu Kapoor)**

Company Secretary

ACS-18954

Place of Signature : New Delhi

Date : 26 August, 2020

## Statement of cash flows for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>I. Cash flow from operating activities</b>			–
Profit before tax		(12,016.36)	4,158.72
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Depreciation		2,222.83	211.42
(Profit)/Loss on sale of assets		20.67	13.36
Interest income on financial assets measured at amortised cost		(4,866.39)	(9,057.68)
Unrealized foreign exchange fluctuation		10,996.15	–
Finance Cost		122.75	–
<b>Operating profit before working capital changes</b>		<b>(3,520.35)</b>	<b>(4,674.18)</b>
<b>Change in working capital:</b>			
(Increase)/ Decrease in other financial assets		(1,759.96)	3,223.98
(Increase)/ Decrease in other assets		(41,235.52)	(40,148.09)
Increase / (Decrease) in other financial liabilities		15,194.06	14,607.34
Increase / (Decrease) in provisions		5,053.40	(10,469.24)
Increase / (Decrease) in other liabilities		11,018.73	6,031.05
<b>Cash Generated / (used in) operations</b>		<b>(15,249.64)</b>	<b>(31,429.14)</b>
Less: Income Tax Paid (net of refunds)		(477.18)	(1,329.42)
<b>Net Cash generated from /(used in) operating activities</b>		<b>(15,726.82)</b>	<b>(32,758.56)</b>
<b>II. Cash flow from investing activities:</b>			
Purchase of property, plant & equipments including capital work in progress & asset under development		(1,095,849.62)	(973,316.07)
Sale of property, plant & equipments		20.41	17.32
(Increase)/ Decrease in creditors for capital expenditures		29,956.22	24,325.22
(Increase)/ Decrease in capital advances		40,047.10	58,760.73
Net movement in other bank balances		(1,561.40)	(3,038.79)
Interest received		4,980.76	9,362.69
<b>Net Cash Generated / (Used in) Investing Activities</b>		<b>(1,022,406.53)</b>	<b>(883,888.90)</b>
<b>III. Net cash flow from financing activities:</b>			
Proceeds from Share Application Money		305,384.59	25,405.07
Share issue transaction cost		(616.43)	–
Net Fund Received/(Utilised) from MOR		98,360.30	279,979.52
Net Proceeds from Long Term Borrowings		681,300.00	513,397.20
Repayment of Long Term Borrowings		(23,180.73)	(8,805.35)
Payment of principal portion of lease liabilities		(2,144.94)	–
Interest Expense Paid		(23,393.35)	(13,191.89)
<b>Net Cash generated / (used in) Financing Activities</b>		<b>1,035,709.44</b>	<b>796,784.55</b>
<b>Net change in Cash &amp; cash equivalents (I+II+III)</b>		<b>(2,423.91)</b>	<b>(119,862.91)</b>
Cash and cash equivalents as at the beginning of the year		28,090.91	147,953.82
<b>Cash and cash equivalents at the end of the year</b>		<b>25,667.00</b>	<b>28,090.91</b>



# Statement of cash flows for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Components of Cash And Cash Equivalents</b>			
With banks – on current account and deposits with banks		25,667.00	28,090.91
<b>Total Cash and Cash equivalent</b>		<b>25,667.00</b>	<b>28,090.91</b>

**Note:**

Details of amount incurred for F.Y. 2019–20 in relation to CSR activities is mentioned below:

- (a) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹125.49 lakh
- (b) Amount spent during the year:

S. No.	Purpose for which expenditure incurred	Amount In Cash/ Cheque	Remarks	Total	Outstanding Amount to be Spent for FY 2019–20
i)	Construction/acquisition of any asset	–	–	–	–
(ii)	On purposes other than (i) above	55.14	Payment for eradicating hunger, poverty and promoting preventive healthcare and sanitation projects	61.65	63.84
		–	Payment for rural sports, nationally recognized sports, Paraolympic sports and Olympic sports		
		6.51	Payment for educational & employment enhancing vocation skills		
		–	Others		

## Summary of Significant Accounting Policies

2.1

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

**For S.R. Dinodia & Co. LLP.**

Chartered Accountants

Firm's Registration Number 001478N/N500005

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

Place of Signature : New Delhi

Date : 26 August, 2020

**For and on behalf of Board of Directors of****Dedicated Freight Corridor Corporation of India Limited**

Sd/-

**(Ravindra Nath Singh)**

Managing Director

DIN-08488013

Sd/-

**(Hira Ballabh)**

Director Finance &amp; CFO

DIN-08738632

Sd/-

**(Meenu Kapoor)**

Company Secretary

ACS-18954

## Statement of changes in equity for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

A.	Equity share capital	Note No.		Amount
	As at March 31, 2018	11		765,827.29
	Changes in equity share capital during the year			311,045.55
	As at March 31, 2019			1,076,872.84
	Shares issued during the year			330,789.66
	As at March 31, 2020			1,407,662.50
B.	Other equity	Share application money pending allotment	Reserves & surplus Retained earnings	Total
	Balance at March 31, 2018	311,045.55	25,214.04	336,259.59
	Profit for the year	—	2,453.01	2,453.01
	Other comprehensive income*	—	(55.20)	(55.20)
	Shares issued during the year	(311,045.55)	—	(311,045.55)
	Share application money received during the year	25,405.07	—	25,405.07
	Balance at March 31, 2019	25,405.07	27,611.85	53,016.92
	Profit for the year	—	(9,051.82)	(9,051.82)
	Share issue transaction cost (net of tax of ₹160.27 lakh)	—	(456.16)	(456.16)
	Other comprehensive income*	—	(137.22)	(137.22)
	Total comprehensive income for the year	—	(9,645.21)	(9,645.21)
	Shares issued during the year	(330,789.66)	—	(330,789.66)
	Share application money received during the year	305,384.59	—	305,384.59
	Balance at March 31, 2020	—	17,966.65	17,966.65

\* Represents Re-measurement of defined benefit plans (net)

### Notes:

- Share Application pending allotment represents application money of shares received from MOR and whose allotments are pending.
- Retained earnings represents accumulated profit of company as on March 31, 2020.
- Remeasurement of defined benefit plans represents accumulated value of Other Comprehensive Income till March 31, 2020.

Summary of Significant Accounting Policies

2.1

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

**For S.R. Dinodia & Co. LLP.**

Chartered Accountants

Firm's Registration Number 001478N/N500005

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

**For and on behalf of Board of Directors of**

**Dedicated Freight Corridor Corporation of India Limited**

Sd/-

**(Ravindra Nath Singh)**

Managing Director

DIN-08488013

Sd/-

**(Hira Ballabh)**

Director Finance & CFO

DIN-08738632

Sd/-

**(Meenu Kapoor)**

Company Secretary

ACS-18954

Place of Signature : New Delhi

Date : 26 August, 2020

# Notes to the financial statements for the year ended March 31, 2020

## Note 1: Corporate Information

Dedicated Freight Corridor Corporation of India Limited ("DFCCIL" or "the Company") is a company incorporated on October 30, 2006 under the provisions of the Companies Act, applicable in India. DFCCIL has been setup under the administrative control of Ministry of Railway for the construction, maintenance and operation of the Dedicated Freight Corridor. The registered office of the Company is located at 5th Floor, Supreme Court Metro Station Building Complex, New Delhi – 110001.

## Note 2: Basis of preparation of Financial statements

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and relevant presentation requirements of the Companies Act 2013. The financial statements have been prepared on the historical cost convention on accrual and going concern basis except for certain financial instruments which are measured at fair value as required by relevant Ind AS at the end of each reporting period, as explained in the relevant accounting policies mentioned.

The financial statements are presented in ₹ and all values are rounded to the nearest lakhs except otherwise stated.

### Note 2.1: Significant accounting policies

#### a) Basis of measurement

The financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value as required under relevant Ind AS.

#### b) Functional and presentation currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency.

#### c) Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### i. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

##### Leases:

Where the Company is the lessee, key judgements include assessing whether arrangements contain a lease and determining the lease term. To assess whether a contract contains a lease requires judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset and whether the Company has a right to direct the use of the asset. In order to determine the lease term judgement is required as extension and termination options have to be assessed along with all facts and circumstances that may create an economic incentive to exercise an extension option, or not exercise a termination option. The Company revises the lease term if there is a change in the non-cancellable period of a lease. Estimates include calculating the discount rate which is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Where the Company is the lessor, the treatment of leasing transactions is mainly determined by whether the lease is considered to be an operating or finance lease. In making this assessment, management looks at the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred. Arrangements which do not take the legal form of a lease but that nevertheless convey the right to use an asset are also covered by such assessments.

#### ii. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;

- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Useful life of property, plant and equipment and intangible assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Income Tax: determining provision for income taxes.

#### d) **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

##### **Assets:**

An asset is treated as current when it is:

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

All other assets are classified as non-current.

##### **Liabilities:**

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### **Operating Cycle**

The operating cycle of an entity is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. As the Company is still in construction phase, normal operating cycle is not clearly identifiable and is assumed to be twelve months.

#### e) **Property, plant and equipment**

##### **Recognition and measurement**

- The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. In case where the final settlement of bills with contractors is pending, but the asset is complete and ready to use, capitalisation is done on estimated basis subject to necessary adjustment, including those arising out of settlement of arbitration/ court cases, in the year(s) of final settlement.
- Capital Work-in-Progress is carried at Cost. Expenditure during construction net of incidental income is capitalized as part of relevant assets.
- Capital stores are valued on weighted average cost.

Deposit works/Cost plus contracts are accounted for on the basis of statement of account received from executing agencies and in its absence on the basis of technical assessment of the work executed.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate

items (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognised in Profit and loss account.

### Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

### Depreciation

Depreciation on property, plant and equipment is charged on pro-rata basis from/ upto the date on which the asset is available for use/ disposal. Depreciation on property plant and equipment is provided as per Para 219 of Indian Railway Finance Code Volume I which specifies the normal life of the various classes of Railway Assets. In case a particular component of property plant and equipment is not available in the said Para 219 of Indian Railway Finance Code, then depreciation on these assets are provided on Straight Line Method using the useful life specified in Schedule II of the Companies Act, 2013 except in case of certain assets the useful life have been determined based on technical evaluation done by the management's expert which are lower than those specified by Schedule II of the Companies Act, 2013, in order to reflect the actual usage of the assets. The following useful lives of the property, plant & equipment has been given in Para 219 of Indian Railway Finance Code Volume I which are different from the useful life as prescribed under Schedule II to the Companies Act, 2013:

Particulars	As Per Schedule II	As Per Para 219
EDP Assets (includes computers, laptops, server etc.)	3 to 6 Years	3-8 Years
Office Equipment	5 Years	5-10 Years
Machinery	15 Years	5-8 Years

Property plant and equipment created on Leasehold Land and Leasehold Premises Improvements are depreciated fully over the residual period of lease of respective Land/ Leasehold Premises or over the life of respective asset as specified in Schedule II of the Companies Act, 2013, whichever is shorter.

Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along-with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

Where the cost of the depreciable assets has undergone a change during the year due to price adjustment, change in duties or similar factors the unamortised balance of such assets is depreciated prospectively over the residual life of such assets.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Assets purchased during the year costing ₹ 5,000 or less are depreciated at the rate of 100%

### Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

### f) Intangible assets

Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any.

Cost of Software is recognised as Intangible Assets and is amortized on Straight Line method over a period of legal right to use or three years, whichever is earlier. Other intangible Assets are amortized on Straight Line Method over the period of legal right to use.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

### Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

### g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument

of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

## **Financial Assets**

### ***Initial recognition and measurement***

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

### **Classification and subsequent measurement**

#### ***Classifications***

The company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

#### **Business model assessment**

The company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

#### **Debt instruments at amortised cost**

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

- i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### **Debt instrument at fair value through Other Comprehensive Income (FVOCI)**

Debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

#### **Debt instrument at fair value through profit and loss (FVTPL)**

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

## **Equity Instruments**

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. All other Financial Instruments are classified as measured at FVTPL.

## **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

### **Impairment of financial assets**

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

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

### **Financial liabilities**

#### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

#### ***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial Liabilities measured at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective rate interest amortisation is included as finance costs in the statement of profit and loss.

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

#### **Derecognition of financial liabilities**

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

#### **Modifications of financial assets and financial liabilities**

##### ***Financial assets***

If the terms of a financial asset are modified, the company evaluates whether the cash flows of the modified asset are substantially

different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the company recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

### Financial liabilities

The company derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### h) Revenue/ Other income

- i. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.
- ii. Interest income is recognized using the Effective Interest Rate ('EIR') method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset. The EIR is computed basis the expected cash flows by considering all the contractual terms of the financial instrument. The calculation includes all fees, transaction costs, and all other premiums or discounts paid or received between parties to the contract that are an integral part of the effective interest rate.
- iii. Other items of Income are accounted for as and when the right to receive is established.
- iv. Service Charges Income is recognized as per the terms of the contracts.

### i) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange differences regarded as an adjustment to borrowing costs, in terms of Para 6(e) of Ind AS-23, are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

### j) Employee benefits

#### i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Provision/liabilities towards Foreign Service Contribution are made in terms of Government Rules & Regulations for employees on deputation and charged to development account.

#### ii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

- a) Provident Fund
- b) National Pension Scheme.

#### iii. Defined benefit plans

The company net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The company has following defined benefit plans: a) Gratuity

#### iv. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise. The company has following long term employment benefit plans:

- a) Earned leave
- b) Half pay leave
- c) Leave travel concession.

Termination benefits Expenses on ex-gratia payments & notice pay under voluntary retirement scheme are charged to revenue at the earlier of the following dates:

- a) When the Company can no longer withdraw the offer of those benefits; and
- b) When the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

#### k) Borrowing Costs

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

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

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

#### l) Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

##### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- i) Has a legally enforceable right to set off the recognised amounts; and
- ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

## m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

A disclosure for Contingent Liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

## n) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**o) Leases**

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

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

**i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the above mentioned accounting policy for impairment of non-financial assets.

**ii) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in financial liability.

**iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases contracts including lease of guest houses (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**p) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**q) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the chief operating decision maker by the Management of the company. Refer note 27 for segment information presented.

**r) Miscellaneous**

- i. Liquidated damages are recognised at the time of actual recovery. Whether or not liquidated damages should be adjusted against the project cost would depend upon the fact whether the liquidated damages are directly identifiable with the project and whether, in fact, they are received for mitigating extra project cost to be incurred by the DFCCIL, which will be capitalised as part of the project cost. Where and to the extent the liquidated damages meet the aforesaid stipulations in affirmative, the same will be adjusted with the cost of the project. Otherwise the same will be accounted for as income.
- ii. Insurance claims are accounted for based on Management best assessment of the quantum of loss & coverage thereof in terms of Insurance policy. Any shortfall excess are adjusted on the settlement of claims. Claim towards loss of CWIP, for which Insurance are obtained by Contractors under the provisions of respective contract agreement, are not accounted in the books of the company.
- iii. Liabilities for goods in transit/ Capital works executed but not certified are not provided for, pending inspection and acceptance by the corporation.
- iv. Claims including price variation are accounted for on acceptance.

**Recent Accounting Pronouncement**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. However, there is no such notification which would have been applicable from April 01, 2020.

**Application of New Accounting Pronouncements**

The following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2018, were applied by the Company during the year:

- Ind AS 116, Leases with effect from April 01, 2019
- Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments with effect from April 01, 2019
- Amendment to Ind AS 12 – Income taxes with effect from April 1, 2019
- Amendment to Ind AS 19 – Plan amendment, curtailment or settlement with effect from April 01, 2019

None of the changes described above, or any of the other changes to the Ind AS, with the exception of Ind AS 116 (Leases), have a impact on the net worth, financial position, financial performance or on the cash flow of the Company.



# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Note 3 : Property, plant and equipment

Particulars	Flat (Leasehold) (Refer Note –'b')	Plant & Equipments	Furniture and Fixtures	Office equipments	EDP assets	Leasehold premises improvement	Total	Capital work in progress (Refer Note –'c')
<b>Gross Block</b>								
<b>As at March 31, 2018</b>	<b>309.34</b>	<b>13.41</b>	<b>512.02</b>	<b>385.29</b>	<b>807.56</b>	<b>419.89</b>	<b>2,447.50</b>	<b>1,475,708.56</b>
Add: Additions made during the year	–	26.98	546.94	78.97	191.58	–	844.47	1,062,577.38
Less: Disposals / adjustments during the year	–	–	(6.16)	(7.32)	(101.78)	–	(115.25)	–
<b>As at March 31, 2019</b>	<b>309.34</b>	<b>40.39</b>	<b>1,052.80</b>	<b>456.94</b>	<b>897.36</b>	<b>419.89</b>	<b>3,176.72</b>	<b>2,538,285.94</b>
Add: Additions made during the year	–	699.81	615.58	191.46	297.61	–	1,804.46	1,262,219.74
Less: Disposals / adjustments during the year	(309.34)	–	(293.41)	(2.61)	(102.47)	–	(707.83)	(4,844.00)
<b>As at March 31, 2020</b>	<b>–</b>	<b>740.20</b>	<b>1,374.97</b>	<b>645.79</b>	<b>1,092.50</b>	<b>419.89</b>	<b>4,273.35</b>	<b>3,795,661.68</b>
<b>Depreciation and impairment</b>								
<b>As at March 31, 2018</b>	<b>28.14</b>	<b>0.86</b>	<b>193.57</b>	<b>157.39</b>	<b>468.17</b>	<b>230.14</b>	<b>1,078.26</b>	<b>–</b>
Add: Depreciation charge for the year	10.66	1.64	72.46	86.54	169.27	71.73	412.30	–
Less: On disposals / adjustments during the year	–	–	(0.69)	(5.02)	(72.73)	–	(78.44)	–
<b>As at March 31, 2019</b>	<b>38.80</b>	<b>2.50</b>	<b>265.34</b>	<b>238.91</b>	<b>564.71</b>	<b>301.87</b>	<b>1,412.12</b>	<b>–</b>
Add: Depreciation charge for the year	–	15.31	135.40	67.89	169.24	60.57	448.40	–
Less: On disposals / adjustments during the year	(38.80)	–	(3.85)	(1.23)	(73.55)	–	(117.42)	–
<b>As at March 31, 2020</b>	<b>–</b>	<b>17.81</b>	<b>396.89</b>	<b>305.57</b>	<b>660.40</b>	<b>362.44</b>	<b>1,743.10</b>	<b>–</b>
<b>Net book value</b>								
<b>As at March 31, 2020</b>	<b>–</b>	<b>722.39</b>	<b>978.06</b>	<b>340.22</b>	<b>432.10</b>	<b>57.45</b>	<b>2,530.25</b>	<b>3,795,661.68</b>
<b>As at March 31, 2019</b>	<b>270.54</b>	<b>37.89</b>	<b>787.46</b>	<b>218.03</b>	<b>332.65</b>	<b>118.02</b>	<b>1,764.60</b>	<b>2,538,285.94</b>
<b>As at March 31, 2018</b>	<b>281.20</b>	<b>12.55</b>	<b>318.45</b>	<b>227.90</b>	<b>339.39</b>	<b>189.75</b>	<b>1,369.24</b>	<b>1,475,708.56</b>

- The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment and capital work in progress as its deemed cost as at the date of transition.
- On the application of Ind AS 116, Leasehold Flat amounting to ₹270.54 lakh (net of depreciation) has been transferred under the head right of use assets.
- Capital Work in Progress mainly comprises track, earthwork, bridges and other electrical equipment. As per Ind AS – 23 Borrowing Cost, ₹168,038.23 lakh (March 31, 2019 : ₹91,632.62 lakh) have been capitalized to capital work in progress during the year. Further, other expenditure net of incidental income of ₹32,914.88 lakh (March 31, 2019 : ₹7,353.08 lakh) have been recorded as capital work in progress during the year. (Refer note 25)

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Note : 4 Other Intangible Assets

Particulars	Licenses/ Softwares	Total	Intangible Assets under development
<b>At Cost</b>			
<b>Gross block</b>			
<b>As at March 31, 2018</b>	<b>240.65</b>	<b>240.65</b>	<b>1,130.76</b>
Add: Additions during the year	6.57	6.57	37.18
Less: Disposals / adjustments during the year	0.00	0.00	(31.66)
<b>As at March 31, 2019</b>	<b>247.22</b>	<b>247.22</b>	<b>1,136.28</b>
Add: Additions during the year	7.36	7.36	634.63
Less: Disposals / adjustments during the year	(0.33)	(0.33)	—
<b>As at March 31, 2020</b>	<b>254.25</b>	<b>254.25</b>	<b>1,770.91</b>
<b>Amortisation and impairment</b>			
<b>As at March 31, 2018</b>	<b>212.83</b>	<b>212.83</b>	<b>—</b>
Add: Amortisation charge for the year	24.93	24.93	—
Less: On disposals / adjustments during the year	—	—	—
<b>As at March 31, 2019</b>	<b>237.76</b>	<b>237.76</b>	<b>—</b>
Add: Amortisation charge for the year	7.07	7.07	—
Less: On disposals / adjustments during the year	(0.32)	(0.32)	—
<b>As at March 31, 2020</b>	<b>244.51</b>	<b>244.51</b>	<b>—</b>
<b>Net book value</b>			
<b>As at March 31, 2020</b>	<b>9.74</b>	<b>9.74</b>	<b>1,770.91</b>
<b>As at March 31, 2019</b>	<b>9.46</b>	<b>9.46</b>	<b>1,136.28</b>
<b>As at March 31, 2018</b>	<b>27.82</b>	<b>27.82</b>	<b>1,130.76</b>

**Note:** The Company has elected Ind AS 101 exemption and continue with the carrying value for all of intangible assets as its deemed cost as at the date of transition.

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Note 5 : Other financial assets

(Unsecured and considered good, unless otherwise stated)

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Security deposits (Refer note below)				
– Considered Good	1,796.22	1,697.52	119.41	9.71
– Considered Doubtful	146.36	146.36	–	–
Earnest Money Deposit	–	–	7.50	–
Employee advances	110.05	104.21	215.34	166.12
Deposit with original maturity of more than 12 months (refer note 10)	512.86	–	–	–
Interest accrued on fixed deposit	2.97	–	76.56	193.89
Expenditure on land acquisition – recoverable from MOR * #	–	–	3,522.61	2,564.93
Expenditure on PETS survey – recoverable from MOR #	–	–	0.10	0.10
Other recoverable @	–	–	665.15	664.25
Advances to contractors	–	–	556.24	538.68
	2,568.46	1,948.09	5,162.91	4,137.68
Less: Loss Allowance	(146.36)	(146.36)	–	–
	<b>2,422.10</b>	<b>1,801.73</b>	<b>5,162.91</b>	<b>4,137.68</b>

# Represents recoverable from a related party

@ Includes recoverable from related parties ₹517.10 lakh (March 31, 2019: ₹465.55 lakh)

**Note:** The Company has determined its security deposits not to be in the nature of loans and accordingly have been classified as part of other financial assets.

\* As per the directions of Ministry of Railways (MOR), land for the project shall be acquired in the name of MOR under The Railways Act, 1989 as modified by The Railways (Amendment) Act, 2008 and the land so acquired shall be leased to the Company at lease rent of ₹ 1 vide letter no. DFCCIL Letter No./HQ/OP&BD/Business Plan/ Pt.6(TAC) – IV dated May 22, 2018 on the date of handing over to DFCCIL. Lease rent shall commence from the date of commissioning.

Funds for acquisition of land are being provided by MOR and deposited in the separate bank accounts. These accounts are operated jointly by the State Land Acquisition Officer, being the Competent Authority under the above Act and a nominated official of the Company. Such Bank Accounts do not form part of the Company's Accounts.

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Note 6 : Deferred tax assets/(liabilities) (net)

	As At March 31, 2020	As At March 31, 2019
<b>Deferred tax assets:</b>		
Property, plant & equipment and intangible assets	55.36	60.02
Share issue transaction cost	160.27	—
Unabsorbed depreciation	73.34	38.16
Unabsorbed losses	18,939.43	4,045.87
Loss Allowance	38.05	42.62
Right-of-use assets (ROU)	15.79	—
	<b>19,282.24</b>	<b>4,186.67</b>
<b>Deferred tax liabilities:</b>		
Foreign exchange on reinstatement of loan	15,390.30	3,467.73
	<b>15,390.30</b>	<b>3,467.73</b>
Minimum Alternate Tax Credit Entitlement	852.24	852.24
Deferred tax assets/(liabilities) (net)	<b>4,744.18</b>	<b>1,571.18</b>

### Deferred Tax/ Income Tax

#### A. Amounts recognised in statement of profit and loss

	As At March 31, 2020	As At March 31, 2019
<b>Current tax expense</b>		
Current year	—	—
Adjustment for change in estimates for prior period	—	306.13
	<b>—</b>	<b>306.13</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(2,964.54)	1,399.58
	<b>(2,964.54)</b>	<b>1,399.58</b>
<b>Total Tax Expense</b>	<b>(2,964.54)</b>	<b>1,705.71</b>

#### B. Amounts recognised in Other Comprehensive Income

	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	(185.43)	48.21	(137.22)	(77.88)	22.68	(55.20)
	<b>(185.43)</b>	<b>48.21</b>	<b>(137.22)</b>	<b>(77.88)</b>	<b>22.68</b>	<b>(55.20)</b>

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## C. Reconciliation of effective tax rate

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Rate	Amount	Rate	Amount
<b>Profit before tax from continuing operations</b>		(12,016.36)		4,158.72
Tax using the Company's domestic tax rate	26.0000%	(3,124.26)	29.1200%	1,211.02
Effect of change in tax rate (from 29.1200% to 26.0000%)	-0.6410%	77.03	7.9916%	332.35
Tax effect of amounts which are not deductible (taxable) in calculating taxable income				
– Corporate social responsibility expense	-0.1334%	16.03	1.0739%	44.66
Property, Plant & Equipment	0.0136%	(1.63)	-0.0308%	(1.28)
Income/ expenses capitalised since the Company is in pre-operative stage	-0.4012%	48.21	0.5453%	22.68
Non-deductible expenses	-0.1671%	20.08	0.0034%	0.14
Foreign Exchange	0.0000%	–	-5.0494%	(209.99)
Changes in estimates related to prior years	0.0000%	–	7.3611%	306.13
	<b>24.6708%</b>	<b>(2,964.54)</b>	<b>41.0151%</b>	<b>1,705.71</b>

## D. Movement in deferred tax balances

	As At March 31, 2019	Recognized in P&L	Charged to Retained Earning	Recognized in OCI	As At March 31, 2020
<b>Deferred Tax Assets</b>					
Property, plant and equipment including capital work in progress	4,186.67	14,935.30	160.27	–	19,282.24
	<b>4,186.67</b>	<b>14,935.30</b>	<b>160.27</b>	–	<b>19,282.24</b>
Deferred Tax Liabilities	3,467.73	11,922.57	–	–	15,390.30
	<b>3,467.73</b>	<b>11,922.57</b>	–	–	<b>15,390.30</b>
Minimum Alternate Tax Credit Entitlement	852.24	–	–	–	852.24
<b>Net deferred tax asset (b)–(a)</b>	<b>1,571.18</b>	<b>3,012.73</b>	<b>160.27</b>	–	<b>4,744.18</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has not opted to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as promulgated by the GOI vide the Taxation Laws (Amendment) Ordinance, 2019 and has taken 26.00% (Income tax 25%+ Health & Higher Education Cess 4%) rate of Corporate tax in its accounts. Accordingly, the company has recognized provision for income tax for the year.

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Note 7: Non current tax assets (net)

	As At March 31, 2020	As At March 31, 2019
Advance Income Tax [Net of provision of ₹ Nil (March 31, 2019 : ₹ 852.24 lakh)]	4,852.46	4,709.11
Amount paid under protest:		
– Income Tax	334.21	332.68
	<b>5,186.67</b>	<b>5,041.79</b>

## Note 8 : Other assets

(Unsecured and considered good, unless otherwise stated)

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Capital advances				
– Mobilisation Advance	217,488.47	294,161.30	–	–
– Advance for Shifting of Utilities *	327,859.92	315,808.24	–	–
– Advance for ROB/RUB *	70,591.69	51,534.24	–	–
– Advance for Capital Works–Others *	40,825.78	35,316.21	–	–
– Interest accrued on mobilization advances & others	3,000.96	2,993.95	–	–
Prepaid expenses	532.83	1,547.12	864.04	810.87
Balance with Government Authorities	99,680.82	54,025.02	–	–
Other loans and advances	3,788.33	8,125.40	515.74	284.98
Interest accrued but not due on retention money	–	–	–	5.89
Gold silver medallion for employees in hand	–	–	–	2.02
	<b>763,768.80</b>	<b>763,511.48</b>	<b>1,379.78</b>	<b>1,103.76</b>

\* includes recoverable from related parties ₹ 264,474.49 lakh (March 31, 2019: ₹ 252,858.14 lakh)

## Note 9 : Cash and cash equivalents

	As At March 31, 2020	As At March 31, 2019
Balance with banks:		
– In current and flexi account	25,667.00	28,090.91
	<b>25,667.00</b>	<b>28,090.91</b>

a) For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

	As At March 31, 2020	As At March 31, 2019
Balance with banks:		
– In current account and flexi	25,667.00	28,090.91
	<b>25,667.00</b>	<b>28,090.91</b>



# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Note 10 : Other bank balances

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Earmarked balances with banks (refer note 16(ii))	—	—	8,576.20	6,501.94
Deposits with original maturity of more than 3 months but less than 12 months*	—	—	—	512.86
Deposits with original maturity of more than 12 months*	512.86	—	—	—
	<b>512.86</b>	—	<b>8,576.20</b>	<b>7,014.80</b>
Less: Amount disclosed under “other financial assets” (refer note 5)	512.86	—	—	—
	<b>—</b>	—	<b>8,576.20</b>	<b>7,014.80</b>

\*This fixed deposit is pledged with Delhi Metro Rail Corporation Limited.

## Note 11 : Equity Share capital

	As At March 31, 2020	As At March 31, 2019
<b>Authorised:</b>		
220,000,000* (March 31, 2019 : 220,000,000 ) equity shares of ₹ 1,000 each	2,200,000.00	2,200,000.00
<b>Issued, subscribed &amp; fully paid up:</b>		
140,766,250* (March 31, 2019 : 107,687,284) equity shares of ₹ 1,000 each	1,407,662.50	1,076,872.84
	<b>1,407,662.50</b>	<b>1,076,872.84</b>

\*Number of shares are presented in actual numbers.

### a) Reconciliation of authorised, issued and subscribed share capital:

#### i. Reconciliation of authorised share capital as at year end :

	(Number of Shares)		(Amount in ₹ Lakh)	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Balance at the beginning of the year	220,000,000.00	220,000,000.00	2,200,000.00	2,200,000.00
Increase/(decrease) during the year	—	—	—	—
Balance at the end of the year	<b>220,000,000.00</b>	<b>220,000,000.00</b>	<b>2,200,000.00</b>	<b>2,200,000.00</b>

#### ii. Reconciliation of issued and subscribed share capital as at year end :

	(Number of Shares)		(Amount in ₹ Lakh)	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Balance at the beginning of the year	107,687,284	76,582,729	1,076,872.84	765,827.29
Increase/(decrease) during the year	33,078,966	31,104,555	330,789.66	311,045.55
Balance at the end of the year	<b>140,766,250</b>	<b>107,687,284</b>	<b>1,407,662.50</b>	<b>1,076,872.84</b>

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## b) Terms/ rights attached to equity shares:

The company has only one class of equity shares having par value of ₹1,000 per share. Each holder of equity shares is entitled to one vote per share and entitled to receive dividends as declared from time to time. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## c) Shareholders holding more than 5% shares in the company

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Percentage	No. of Shares	Percentage
The President of India & his nominees	140,766,250	100.00%	107,687,284	100.00%

## Note 12: Other equity

### a) Share Application Money Pending Allotment

	As At March 31, 2020	As At March 31, 2019
Balance at the beginning of the year	25,405.07	311,045.55
Add: Share application money received from Ministry of Railways	305,384.59	25,405.07
Less: Shares issued during the year to Ministry of Railways	(330,789.66)	(311,045.55)
Balance at the end of the year	–	25,405.07

Company has closing balance of ₹Nil (March 31, 2019 : ₹25,405.07) of Share Application Money received from Ministry of Railways as on March 31, 2020.

### b) Retained earnings

	As At March 31, 2020	As At March 31, 2019
Balance at the beginning of the year	27,611.85	25,214.04
Add: Profit for the year after taxation as per statement of Profit and Loss	(9,051.82)	2,453.01
Less: Remeasurement of defined employee benefit plan	(137.22)	(55.20)
Less: Share issue transaction cost (net of tax of ₹160.27 lakh)	(456.16)	–
Balance at the end of the year	17,966.65	27,611.85
<b>Total (a+b)</b>	<b>17,966.65</b>	<b>53,016.92</b>

## Note 13: Borrowings

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Term loans (unsecured)				
– JICA	1,432,250.64	976,456.05	–	–
– IBRD	786,541.00	531,996.68	26,930.51	21,895.08
<b>Total</b>	<b>2,218,791.64</b>	<b>1,508,452.73</b>	<b>26,930.51</b>	<b>21,895.08</b>
Less: Amount disclosed under other financial liabilities as current maturities of long term borrowings (Refer note 14)	–	–	26,930.51	21,895.08
	<b>2,218,791.64</b>	<b>1,508,452.73</b>	<b>–</b>	<b>–</b>

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

Term of repayment and interest are as follows :

Loan From	Repayment Terms	Year of Maturity	Rate of Interest p.a.	Carrying Amount	
				March 31, 2020	March 31, 2019
MoR for EAP Projects JICA – 205	Refer Note (a) below	2049	7% – Fixed	12,335.03	12,335.03
MoR for EAP Projects JICA – 209	Refer Note (a) below	2050	7% – Fixed	477,591.43	473,886.39
MoR for EAP Projects JICA – 209 A	Refer Note (a) below	2050	7% – Fixed	30,357.40	25,455.21
MoR for EAP Projects JICA – 212	Refer Note (a) below	2050	7% – Fixed	7,431.72	7,431.72
MoR for EAP Projects JICA – 229	Refer Note (a) below	2053	7% – Fixed	390,349.42	216,675.43
MoR for EAP Projects JICA – 229 A	Refer Note (a) below	2053	7% – Fixed	16,430.02	9,267.51
MoR for EAP Projects JICA – 253	Refer Note (a) below	2056	7% – Fixed	496,817.23	231,404.76
MoR for EAP Projects JICA – 253A	Refer Note (a) below	2056	7% – Fixed	938.38	–
MoR for EAP/IBRD Projects – 8066	Half Yearly	2033 in remaining 27 instalments	2.51% – Variable	362,725.10	316,380.63
IBRD for EAP Projects– 8318	Half Yearly	2035 in 30 instalments	2.51% – Variable	339,600.19	181,496.29
IBRD for EAP Projects– 8513	Half Yearly	2037 in 30 instalments	2.71% – Variable	111,146.23	56,014.83
<b>Total (Refer note 13 &amp; 14)</b>				<b>2,245,722.16</b>	<b>1,530,347.81</b>

## a) Externally Aided Projects ('EAP')/ Japan International Cooperation Agency ('JICA') Loan

Loan by JICA is being given to Ministry of Railways as an externally aided components of Gross Budgetary Support (GBS) through Ministry of Finance. This loan is passed on to DFCCIL on back to back basis. As per clarification received from MOR vide letter number 2009/Infra/3/1/26 Pt-1 dated 06/02/2015, the tenure of loan is 40 years, rate of interest is 7% and moratorium period is 10 years. The accumulated interest accrued during the period of moratorium is payable after completion of 10 years. This interest will accrue on simple interest basis.

## EAP/ International Bank for Reconstruction and Development ('IBRD') Loan

The Government of India (GOI) through the Ministry of Finance has entered into a Loan Agreement dated October 27, 2011 with IBRD to avail a loan of USD 975 Million that has been reduced to USD 800 Million vide letter dated June 29, 2017 with Loan ID–8066 IN with the IBRD which shall be utilized towards Institutional Development Activities and Design, Construction and Commissioning of 343 Kms of double track electrified railway on the Khurja–Bhaupur Section of the Eastern Dedicated Freight Corridor (EDFC). The loan is further reduced to USD 555 Million and terminal date extended upto May 31, 2019 vide world bank letters dated December 18, 2018 and December 27, 2018. In terms of the Loan Agreement, DFCCIL has been identified as the Project Implementing Entity for implementation of the project. Further, to facilitate the carrying out of the project by DFCCIL, GOI through the MOR is required to make the proceeds of the Loan available to DFCCIL by way of MOR Loan under a Subsidiary Loan Agreement between the GOI through MOR and DFCCIL, under terms and conditions satisfactory to the Bank. The repayment of IBRD Loan ID–8066 IN along with interest will be made by DFCCIL to MOF in Rupee equivalent of the USD Loan/Interest amount.

The DFCCIL has entered into another Loan Agreement with the IBRD dated December 11, 2014 to avail a loan of USD 1100 Million that has been reduced to USD 910 Million vide letter dated June 30, 2017 with Loan ID–8318 IN. The loan is further reduced to 660 million and terminal date extended to December 31, 2020 vide world Bank letter dated January 30, 2020. This Loan shall be utilized towards Institutional Development Activities and Design, Construction and Commissioning of 393 Kms of double track

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

electrified railway on the Kanpur–Mughal Sarai & balance activities of Khurja –Bhaupur section of the EDFC. In this agreement the Government of India (GOI) has given Sovereign Guarantee and annual guarantee fees which has been included in note 20.

The DFCCIL has entered into another Loan Agreement with the IBRD dated October 21, 2016 to avail a loan of USD 650 Million with Loan ID–8513 IN. This Loan shall be utilized towards Institutional Development Activities and Design, Construction and Commissioning of 401 Kms of double track electrified railway on the Ludhiana – Khurja section of the EDFC. In this agreement the Government of India (GOI) has given Sovereign Guarantee and annual guarantee fees which has been included in note 20.

### Note 14 : Other financial liabilities

	Non–Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Deposits/ Retention money	48,286.83	33,305.35	26,794.42	26,932.32
Current maturities of long term borrowings (Refer note 13)	–	–	26,930.51	21,895.08
Interest accrued but not due on Loan	195,922.89	121,552.43	22,327.14	6,389.45
Earnest money deposit	–	–	1,216.56	391.96
Employee related liabilities	–	–	2,503.34	1,121.62
Creditors for capital expenditure (refer note ‘a’ below)	–	–	154,956.04	124,999.82
Funds received from MOR pending adjustment	–	–	403,744.89	305,384.59
	<b>244,209.72</b>	<b>154,857.78</b>	<b>638,472.90</b>	<b>487,114.84</b>

#### Note:

a) Creditors for capital expenditure includes ₹981.53 lakh (March 31, 2019 : ₹3,442.82 lakh) due to related parties.

### Note 15 : Provisions

	Non–Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for employee benefits				
– Gratuity	–	–	183.37	256.91
– Leave encashment	2,494.61	2,052.65	211.80	205.46
– Leave travel concession	315.03	161.89	45.63	29.38
Provisions for project expenses	–	–	13,594.29	9,085.04
	<b>2,809.64</b>	<b>2,214.54</b>	<b>14,035.09</b>	<b>9,576.79</b>

### Note 16 : Other liability

	Non–Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advance for ROB/ RUB (refer note i below)	30,798.20	26,348.20	–	–
Income received in advance	538.33	441.00	–	–
Advance received from customers against deposit work	19,274.47	12,640.80	–	–
Other advances received	705.00	655.50	–	–
Advance for land (Pending for transfer to SLAO A/c) (refer note ii below)	–	–	8,576.20	6,501.94
Duties and taxes payable	–	–	10,407.89	12,693.92
	<b>51,316.00</b>	<b>40,085.50</b>	<b>18,984.09</b>	<b>19,195.86</b>

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Notes:

- i. DFCCIL is working on few ROB's on cost sharing basis which is being done in terms of MOR letter number 2007/Infra/6/8-Pt II dated 03.02.2012. As per this arrangement, sharing of cost of ROB between Railways and State Government shall be as per the principle of 50:50. Further, sharing of railways share of cost of ROB between Railways and DFCCIL will be on 50:50 basis
- ii. The above liability represents amount received from MOR for acquisition of land through SLAOs and the same is being kept separate earmarked bank account (refer note 10)

## Note 17 : Trade Payables

	As At March 31, 2020	As At March 31, 2019
– Outstanding dues of micro enterprises and small enterprises	19.15	–
– Outstanding dues of creditors other than micro enterprises and small enterprises	2,758.31	2,081.81
	<b>2,777.46</b>	<b>2,081.81</b>

- a) Trade payables are non-interest bearing and are normally settled as per the terms of the contract.
- b) Trade payables to related parties amounts to ₹ Nil (March 31, 2019 : ₹ Nil).
- c) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the management, the amount due to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

	As At March 31, 2020	As At March 31, 2019
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	19.15	Nil
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

- d) The amount does not include any amount due to be transferred to Investor Protection and Education fund.
- e) Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Note 18 : Other Income

Particulars	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
Interest income				
– on Flexi FDR		4,851.03		9,057.55
– on others		15.36		0.13
Foreign currency fluctuation gain		–		1,346.11
Miscellaneous income		627.71		293.25
Excess Provision Written Back		2.73		55.85
Application money received		0.70		21.05
Recovery on sub– lease				
Rent recovery on sub–lease	340.01		340.01	
Housekeeping expenses recovered from sub–lessee	16.21		18.92	
Office Security expenses recovered from sub–lessee	30.17		31.13	
Electricity expenses recovered from sub–lessee	19.52		23.90	
Annual maintenance charges recovered from sub–lessee	2.52		4.00	
Other charges recoverable	1.48		1.60	
Composite rent and facility management charges	387.50		380.29	
	797.41		799.85	
Less: Expenses on sub– lease				
Housekeeping expenses	14.41		16.82	
Rent	–		340.01	
Composite rent & facility management expenses	92.81		308.18	
Office repair and maintenance	1.31		1.41	
Office security expenses	26.82		27.67	
Electricity expenses office	17.35		21.25	
Annual maintenance charges	2.24		3.55	
	154.94		718.89	
		642.47		80.96
<b>Net other income</b>		<b>6,140.00</b>		<b>10,854.90</b>

## Note 19 : Employee benefits expense

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Salaries and wages	17,176.22	15,616.00
Contribution to provident and other funds	2,474.39	627.31
Gratuity	313.24	236.60
Staff welfare expenses	780.22	535.29
	20,744.07	17,015.20
Less: Transferred to development account (Refer note 25)	19,155.86	15,568.32
	<b>1,588.21</b>	<b>1,446.88</b>



# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Note 20 : Finance cost

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Interest Expenses on:</b>		
EAP/JICA loan	89,347.82	53,023.22
IBRD loan	20,561.57	14,635.76
Lease liabilities (Refer note 28)	182.08	—
MSME	0.71	—
Income Tax/TDS	76.27	0.28
Other Taxes	536.86	43.40
Guarantee Fees	5,426.29	2,857.38
Commitment Fees	996.38	1,083.96
Other finance cost	4,661.67	1,668.83
Exchange differences regarded as adjustment to interest cost	46,984.47	18,363.47
	168,774.12	91,676.30
Less: Transferred to development account (Refer note 25)	168,038.23	91,632.62
	<b>735.89</b>	<b>43.68</b>

## Note 21 : Depreciation & Amortization Expenses

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Depreciation – EDP assets	176.32	194.20
Depreciation – Office equipment	67.89	86.54
Depreciation – Furniture and fixture	135.40	72.46
Depreciation – Leasehold improvement	60.57	71.73
Depreciation – Leasehold flat	—	10.66
Depreciation – Plant and machinery	15.31	1.64
Depreciation of Right-of-use assets (Refer note 28)	2,270.00	—
	2,725.49	437.23
Less: Transferred to development account (Refer note 25)	502.66	225.81
	<b>2,222.83</b>	<b>211.42</b>

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Note 22 : Other expenses

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Rent expense	204.16	2,133.65
Tours, travels and conveyance	4,232.24	3,337.49
Seminar and training expenses	1,650.27	491.68
Advertisement expenses	617.37	1,023.42
Housekeeping & manpower expenses	1,390.01	1,192.81
Office security expenses	243.72	132.90
Legal and professional charges	597.99	925.72
Corporate social responsibility	61.65	153.37
Communication expenses	217.72	237.58
Printing and stationery	161.48	178.33
Consultancy fees to consultants	522.17	448.38
Recruitment expenses	45.15	267.29
Electricity expenses	5,752.18	189.39
Repair and maintenance – others	362.78	225.53
Rates and taxes	9.23	8.42
Foundation day expense	28.56	19.66
Computer job work	110.41	112.71
Payment to statutory auditors *	17.09	20.53
Meeting and conference	67.97	67.16
Office expenses	139.43	68.21
Hospitality expenses	75.10	62.98
Loss Allowance	–	146.36
Foreign currency fluctuation loss	11,037.48	–
Miscellaneous expenses	753.26	651.09
	28,297.42	12,094.66
Less: Transferred to development account (Refer note 25)	14,687.99	7,100.46
<b>Total</b>	<b>13,609.43</b>	<b>4,994.20</b>

\* Payment to Statutory Auditors includes :

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Statutory audit fee	9.50	9.50
Tax audit fee	2.59	2.34
Other audit fees (EDFC Audit)	–	3.69
GST Audit Fees	5.00	5.00
	<b>17.09</b>	<b>20.53</b>

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Note 23 : Components of Other Comprehensive Income

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Re-measurement gains/ (losses) on defined benefit plans	(185.43)	(77.88)
Income tax expense	48.21	22.68
	<b>(137.22)</b>	<b>(55.20)</b>

## Note 24 : Earning per share

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
<b>Basic earning per share</b>		
Total profit/ (loss) for the year	(9,051.82)	2,453.01
Weighted average number of equity shares of ₹ 1,000 each (In lakh)	1,157.60	1,031.71
EPS – Basic	<b>(7.82)</b>	<b>2.38</b>
<b>Diluted earning per share</b>		
Total profit/ (loss) for the year	(9,051.82)	2,453.01
Weighted average number of equity shares of ₹ 1,000 each (In lakh) – Diluted	1,157.60	1,037.28
EPS – Diluted	<b>(7.82)</b>	<b>2.36</b>

## Note 25 : Development account (pending capitalisation)

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Employees benefit expense	19,155.86	15,568.32
Finance cost	168,038.23	91,632.62
Depreciation and amortization expense	502.66	225.81
Other expenses	14,687.99	7,100.46
<b>Total (A)</b>	<b>202,384.74</b>	<b>114,527.21</b>
Less:		
Liquidated damages (LDA)	388.98	7,820.77
Interest income on retention money	348.22	170.58
Interest on mobilization advance	668.82	2,404.32
Interest on advances – employees	11.90	7.69
D&G, supervision & plant estimation charges received	1.07	295.79
Security deposit/EMD forfeited	9.16	4,836.62
Sale of tender	24.15	19.10
Loss on sale of property, plant and equipment	(20.67)	(13.36)
<b>Total (B)</b>	<b>1,431.63</b>	<b>15,541.51</b>
<b>Net expenditure (A–B)</b>	<b>200,953.11</b>	<b>98,985.70</b>
<b>Income transferred from other income</b>	<b>–</b>	<b>–</b>
<b>Total transferred to capital work in progress (CWIP)</b>	<b>200,953.11</b>	<b>98,985.70</b>

### Note:

“Costs given under Note 19, 20, 21, 22 which are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management are disclosed under Development Account (pending capitalization)”.

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Note 26 : Contingent liabilities, contingent assets and commitments

### A. Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 2,736,901.48 lakh (March 31, 2019 : ₹ 3,118,569.33 lakh)
- (ii) As per JICA loan agreement, the eligible nationality of the supplier(s) shall be Japan in the case of of the prime contractor. In case where the prime contractor is a joint venture, such joint venture will be eligible provided that the nationality of the lead partner is Japan, that the nationality of the other partners is Japan and/or India and that the total share of work of Japanese partners in the Joint venture is more than fifty percent (50%) of the contract amount. The Company is comitted to follow the aforementioned loan condition.

### B. Contingent Liabilities

	As At March 31, 2020	As At March 31, 2019
Claims against Company not acknowledged as debt	439,336.46	295,560.38
<b>Other money for which the Company is contingently liable</b>		
Disputed liability under Income Tax (refer (iii) below)	388.45	483.04
	<b>439,724.91</b>	<b>296,043.42</b>

- (i) Pending resolution of the respective proceedings, it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.
- (ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.
- (iii) The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.
- (iv) A number of cases are lying for adjudication at different forums pertaining to land compensation. Since land acquisition is being done by the company as a facilitator for Ministry of Railways, Company is not subject to any liability that may arise pursuant to the decision of aforesaid adjudicating authorities

## Note 27 : Segment information

### A. Description of segments and principal activities

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

#### Operating Segments

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decision w.r.t. the preparation and execution of business plan, preparation of budget, planning, expansion, alliance, and expansion of any new facility. Accordingly, management has identified Eastern corridor and Western corridor as two operating segments for the Company.

### B. Information about reportable segments

Information related to each reportable segment is set out below. Since the Company is in construction stage, hence profit and loss is not reviewed by the CODM. However, the Segment assets and liabilities are used to measure performance because management believes that this information is the most relevant in evaluating the performance of the respective segments.

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total Assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
<b>As at March 31, 2020</b>						
EDFC	1,779,173.95	—	1,779,173.95	926,692.02	—	926,692.02
WDFC	2,430,775.59	—	2,430,775.59	1,809,270.47	—	1,809,270.47
Unallocated	—	414,472.21	414,472.21	—	1,888,459.26	1,888,459.26
<b>Total</b>	<b>4,209,949.54</b>	<b>414,472.21</b>	<b>4,624,421.75</b>	<b>2,735,962.49</b>	<b>1,888,459.26</b>	<b>4,624,421.75</b>
<b>As at March 31, 2019</b>						
EDFC	1,313,525.95	—	1,313,525.95	657,139.91	—	657,139.91
WDFC	1,781,273.03	—	1,781,273.03	1,226,114.67	—	1,226,114.67
Unallocated	—	258,670.63	258,670.63	—	1,470,215.03	1,470,215.03
<b>Total</b>	<b>3,094,798.98</b>	<b>258,670.63</b>	<b>3,353,469.61</b>	<b>1,883,254.58</b>	<b>1,470,215.03</b>	<b>3,353,469.61</b>

## C. Geographic information

The Company is in construction phase, hence necessary disclosure with regard to geographical information is given above.

## Note 28 : Leases

Ind AS 116 was notified with effect from April 01, 2019 which replaces Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor. The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 01, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether contract is or contains lease at April 01, 2019. Instead, the Company applied the standards only to contracts that were previously identified as leases applying Ind AS 17.

The effect of adoption Ind AS 116 as at April 01, 2019 (increase/ (decrease)) is as follows:

Assets	As At April 01, 2019
Right-of-use assets	2,788.16
Property, plant and equipment	(270.54)
<b>Total assets</b>	<b>2,517.62</b>
<b>Liabilities</b>	
Lease liabilities	2,517.62
<b>Total liabilities</b>	<b>2,517.62</b>
<b>Total adjustment on equity:</b>	
Retained earnings	—

The Company has lease contracts for office and guest houses. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a 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.

Refer to Note 2.1(o) for the accounting policy on Ind AS 116. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Leases previously classified as finance leases :

The Company did not change the initial carrying amounts of recognised assets at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets equal the lease assets recognised under IAS 17). The requirements of Ind AS 116 were applied to these leases from April 01, 2019.

## Leases previously accounted for as operating leases :

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases. The lessee recognizes a lease liability measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application and correspondingly measured the right-of-use asset at an amount equal to the lease liability, adjusted for previously recognized prepaid or accrued lease payments.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application and the total lease term is less than 12 months
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

## Company as lessee

The Company as a lessee has entered into various lease contracts, which includes lease of office space and guest house (Building). Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Company also has certain leases of offices and guest house with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

## Right-of-use assets :

Particular	Right-of-Use: Building	Total
<b>Balance at April 01, 2019</b>	2,788.16	2,788.16
Additions	7,023.37	7,023.37
Depreciation expense	2,270.00	2,270.00
<b>Balance at March 31, 2020</b>	<b>7,541.53</b>	<b>7,541.53</b>

Set out below are the carrying amounts of lease liabilities recognised and the movements during the period:

## Lease liabilities :

Particular	Right-of-Use: Building	Total
<b>Balance at April 01, 2019</b>	2,517.62	2,517.62
Additions	7,023.38	7,023.38
Accreditation of interest	182.08	182.08
Payments	2,327.02	2,327.02
<b>Balance at March 31, 2020</b>	<b>7,396.06</b>	<b>7,396.06</b>
<b>Current Part</b>	<b>2,716.09</b>	<b>2,716.09</b>
<b>Non-Current Part</b>	<b>4,679.97</b>	<b>4,679.97</b>

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Amounts recognised in profit and loss

Particular	As At April 01, 2019
Depreciation expense of right-of-use assets (Refer Note No. 21)	2,270.00
Interest expense on lease liabilities (Refer Note No. 20)	182.08
Expense relating to short-term leases (Refer Note No. 22)	204.16

The maturity analysis of lease liabilities is given in Note 32.

Leases committed and not yet commenced: There are no leases committed which have not yet commenced as on reporting date.

The Company has several lease contracts that include extension and termination options. These options are negotiated by management and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

### Company as lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any significant impact on account of sub-lease on the application of this standard.

The Company's significant leasing arrangements are in respect of operating leases of premises for offices and guesthouses. Income from operating leases is recognised as revenue on a straight-line basis over the lease term. Sub lease income of ₹727.51 lakh (March 31, 2019: ₹720.30 lakh) has been recognised and included under revenue from operations.

## Note 29 : Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

### (i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Contribution to Provident Fund	822.98	627.31
Contribution to National Pension Scheme*	1,651.41	—

\* Ministry of Railways vide letter dated February 10, 2020 has conveyed the sanction of President of India for implementation of the NPS Scheme in DFCCIL w.e.f. January 01, 2017. Accordingly, DFCCIL has notified the National Pension Scheme for the regular employees vide letter dated May 01, 2020. The contribution of the employer will be 10% of Basic Pay+DA. Benefits under scheme shall come into force w.e.f. January 01, 2017. Consequently, provision for NPS amount has been made in Financial statements amounting as on 31.03.2020.

### (ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.



## Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

- A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	As At March 31, 2020	As At March 31, 2019
<b>Net defined benefit liability</b>	<b>(Gratuity Funded)</b>	<b>(Gratuity Funded)</b>
Liability for Gratuity	183.37	256.91
<b>Total employee benefit liabilities</b>	<b>183.37</b>	<b>256.91</b>
Non-current	–	–
Current	183.37	256.91

- B. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	As At March 31, 2020	As At March 31, 2019
	<b>(Gratuity Funded)</b>	<b>(Gratuity Funded)</b>
<b>Defined benefit obligation</b>		
<b>Balance at beginning of the year</b>	1,033.55	715.15
Service Cost	293.59	180.82
Net Interest Cost	79.07	55.78
Actuarial (gain)/loss on obligation	185.23	98.77
Benefits paid directly by the enterprises	(49.94)	(16.97)
<b>Balance at closing of the year</b>	<b>1,541.50</b>	<b>1,033.55</b>

- C. Cost for the year included under employee benefit

	As At March 31, 2020	As At March 31, 2019
Current Service Cost	293.59	180.82
Interest Cost (Net)	19.65	55.78
	<b>313.24</b>	<b>236.60</b>

- D. Movement in Fair value of Plan Assets

	As At March 31, 2020	As At March 31, 2019
	<b>(Gratuity Funded)</b>	<b>(Gratuity Funded)</b>
Fair value of plan assets at the beginning of the period	776.64	–
Actual return on plan assets	73.88	27.27
Fund management charges	(14.67)	(6.37)
Employer contribution	561.58	759.05
Benefits paid	(39.30)	(3.31)
Fair value of plan assets at the end of the period	1,358.13	776.64

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## E. Details of actuarial gain/loss recognized in OCI

	As At March 31, 2020	As At March 31, 2019
	(Gratuity Funded)	(Gratuity Funded)
Actuarial gain / (loss) for the year on PBO	(185.23)	(98.77)
Actuarial gain /(loss) for the year on Asset	(0.20)	20.89
Unrecognized actuarial gain/(loss) for the period.	(185.43)	(77.88)

## F. Net (assets) / liabilities recognized in the Balance Sheet

	As At March 31, 2020	As At March 31, 2019
	(Gratuity Funded)	(Gratuity Funded)
Present value of Defined Benefit Obligation	1,541.50	1,033.55
Fair value of plan assets	1,358.13	776.64
Net Defined Benefit (assets) / liability	183.37	256.91

## G. Actuarial assumptions

### a) Economic assumption

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	As At March 31, 2020	As At March 31, 2019
Discount rate	6.76%	7.65%
Expected rate of future salary increase	6.00%	6.00%

### b) Demographic assumption

	As At March 31, 2020	As At March 31, 2019
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability	IALM (2012–14)	IALM (2006–08)
<b>Attrition at Ages</b>	<b>WithdrawalRate (%)</b>	<b>WithdrawalRate (%)</b>
Up to 30 Years	5.00%	5.00%
From 31 to 44 years	5.00%	5.00%
Above 44 years	5.00%	5.00%

As at March 31, 2020, the weighted average duration of the defined benefit obligation was 12.90 years (March 31, 2019 : 12.97 years)

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## H. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(61.77)	66.86	(39.68)	42.72
Expected rate of future salary increase (0.5% movement)	65.99	(61.99)	43.20	(40.46)

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

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

## I. Maturity profile of defined benefit obligation is as follows:

	As At March 31, 2020	As At March 31, 2019
0 to 1 years	96.39	69.66
1 to 2 years	118.80	67.83
2 to 3 years	142.92	58.99
3 to 4 years	140.59	62.79
4 to 5 years	111.71	54.51
5 to 6 years	114.09	55.58
from 6 years onwards	817.00	664.20

## (iii) Other long-term employee benefits:

### a) Earned leave and half pay leave

During the year ended March 31, 2020, the Company has reversed an expense on earned leave and half pay leave amounting to ₹604.81 lakh (March 31, 2019 : ₹929.45 lakh expense incurred). The Company determines the expense and the present value of the obligation for earned leave and half pay leave as per actuarial valuation, using the Projected Unit Credit Method.

### b) Leave travel concession

During the year ended March 31, 2020, the Company has incurred an expense on leave travel concession amounting to ₹226.61 lakh (March 31, 2019: ₹58.21 lakh). The Company determines the expense and the present value of the obligation for leave travel concession as per the actuarial valuation, using the Projected Unit Credit Method.

## Note 30 : Related parties

### A. Related parties and their relationships

#### i. Government entities

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government through Ministry of Railways by holding its entire shares (refer Note 11). Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Ministry of Railways, various divisional / zonal railways under MOR, Ministry of Corporate Affairs, BSNL, IOCL, RailTel, NHAI, PGCIL, GAIL and CRWC etc.

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## ii. Key Managerial Personnel (KMP)

Shri Vinod Kumar Yadav	Part Time Chairman (Official) (w.e.f. January 29, 2019)
Shri Anurag Kumar Sachan	Managing Director (upto July 31, 2020)
Shri Anshuman Sharma	Director (Project Planning) (w.e.f. April 05, 2011)
Shri Naresh Salecha	Chief Financial Officer and Director Finance (Additional Charge) (upto May 04, 2020)
Shri Vivek Srivastava	Director (Operations & Business Development) (Additional Charge) (w.e.f. February 28, 2019)
Shri D. S Rana	Director (Infrastructure ) (Upto September 18, 2019)
Shri Sushant Kumar Mishra	Part time Official Director –Government Nominee–MOR (Upto June 20, 2019)
Shri Yaduvendra Mathur	Part–time Official –Government Nominee–Niti Aayog (Upto March 10, 2020)
Shri R. N. Singh	Part time Official Director –Government Nominee–MOR (w.e.f. June 20, 2019)
Shri R. P. Gupta	Part–time Official –Government Nominee–Niti Aayog (w.e.f. March 11, 2020)
Shri Ravi Mathur	Independent Director (Upto March 31, 2020)
Smt. Shakti Munshi	Independent Director (Upto March 31, 2020)
Shri B. Ramana Kumar	Independent Director (w.e.f. July 11, 2019)
Ms. Meenu Kapoor	Company Secretary (w.e.f. March 31, 2008)

## B. Transactions with the above in the ordinary course of business

Name of Related Party	Nature of Transaction	For the year ended	
		March 31, 2020	March 31, 2019
<b>Ministry of Railways &amp; its constituent</b>	Fund Received from MOR	900,364.00	732,700.00
	Recoverable for PETS survey from MOR	–	1,959.42
	Recoverable from MOR towards land facilitation expenses	980.97	2,817.46
	Advance given for shifting of utilities, capital advance, ROB Works and construction of flats, road (net of adjustment)	15,173.13	32,663.28
	Advance received for ROB/RUB	3,950.00	125.00
	Advance given for ROB/RUB (net of adjustment)	2,358.84	2,834.00
	Rental Income from Railway Board	475.95	495.09
<b>Ministry of Finance</b>	Guarantee Fee	5,426.29	2,857.38
<b>Other entities</b>	BSNL – For shifting of utilities & capital works	86.64	36.38
	PGCIL – For shifting of utilities, capital works & Income as Advance for Way Leave and Other (net of adjustment)	17.96	68.97
	RailTel corporation Ltd – For shifting of utilities & capital works	74.82	542.69
	NHAI – For shifting of utilities & capital works	7,700.00	6.80
	NHAI – Income as Advance for Way Leave and Other	6.20	–
	IOCL – For shifting of utilities & capital works	5.56	35.88
	IOCL - Income as Advance for Way Leave and Other	15.94	–
	CRWC New Delhi – For shifting of utilities & capital works	–	3.24
	GAIL – For shifting of utilities & capital works	919.62	17.82

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended	
		March 31, 2020	March 31, 2019
	Rites Ltd – For shifting of utilities & capital works	129.09	2,990.50
	Rites Ltd – Project Management Consultancy Service	1,963.29	–
	ONGC for For shifting of utilities & capital works	93.89	–
	CONCOR – Application money for policy	30.00	–
	CONCOR – Advance For Deposit Work & Other	12,608.80	–
	Integral Coach Factory, Chennai for Capital Works (net of adjustment)	720.25	–
	<b>Total</b>	<b>953,101.24</b>	<b>780,421.84</b>
<b>Remuneration to Key Managerial Personnel</b>	a) short-term employee benefits	160.54	182.25
	b) post-employment benefits	1.46	10.15
	c) other long-term benefits	2.18	28.37
	<b>Total</b>	<b>164.18</b>	<b>220.77</b>
	Other expenses– legal (sitting fees)	5.20	6.20
	<b>Total</b>	<b>5.20</b>	<b>6.20</b>

### Outstanding balances with related parties

Name of Related Party	Nature of Transaction	As At March 31, 2020	As At March 31, 2019
<b>Ministry of railways &amp; its constituent</b>	Recoverable Balances		
	Expenditure on PETS survey – recoverable from MOR	0.10	0.10
	Recoverable from MOR towards land facilitation expenses	3,522.61	2,564.93
	Recoverable from MOR Rent and other Expense	517.10	465.55
	Shifting of utilities, capital advance, ROB works and construction of flats	208,127.38	191,076.47
<b>Other entities</b>	BSNL – shifting of utilities & capital works	899.21	985.85
	ONGC – shifting of utilities & capital works	1,645.39	1,551.50
	PGCIL – shifting of utilities & capital works	33,374.22	33,683.72
	RailTel corporation Ltd –shifting of utilities & capital works	1,755.43	1,680.61
	NHAI – shifting of utilities & capital works	1,936.96	9,636.96
	IOCL – shifting of utilities & capital works	12,514.40	12,508.84
	CRWC New Delhi – shifting of utilities & capital works	1,193.88	1,193.88
	GAIL – shifting of utilities & capital works	1,248.28	328.65
	'Rites Ltd – shifting of utilities & capital works	340.76	211.67
	CONCOR for Application money, Advance For Deposit Work & Other	555.87	–
	Integral Coach Factory, Chennai for Capital Works	1,355.77	–

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

Name of Related Party	Nature of Transaction	As At March 31, 2020	As At March 31, 2019
	Recoverable from other entities	91.20	–
		<b>269,078.56</b>	<b>255,888.73</b>
<b>Ministry of railways &amp; its constituent</b>	<b>Payable Balances</b>		
	Funds received from MOR pending adjustment	403,744.89	305,384.59
	Expenditure on land acquisition	8,576.20	6,501.94
	Advance received for ROB/RUB	28,663.82	24,713.82
	'Rites Ltd – payable for project related work	981.53	20.07
	'MOR – payable for project related work & Other Services	142.98	1.10
	IOCL – For Way leave, D&G Charges and Other	15.94	–
	NHAI– For Way leave, D&G Charges and Other	43.12	–
	NHAI– For Deposit Work Advance	2,939.68	–
	PGCIL – For Way leave, D&G Charges and Other	155.73	–
	CONCOR – For Application Money	193.05	–
	CONCOR – For Advance for Deposit Work	15,890.53	–
	<b>Total</b>	<b>461,347.47</b>	<b>336,621.52</b>

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. The Government of India (GOI) has given Sovereign Guarantee to IBRD in respect of Loan ID 8513 IN and 8318 IN.

## Note 31 : Corporate Social Responsibility

- (a) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹125.49 lakh
- (b) Amount spent during the year:

S.No.	Purpose for which expenditure incurred	Amount In Cash/Cheque	Remarks	Total	Outstanding Amount to be Spent for FY 2019–20
(i)	Construction/acquisition of any asset	–	–	–	–
(ii)	On purposes other than (i) above	55.14	Payment for eradicating hunger, poverty and promoting preventive healthcare and sanitation projects	61.65	63.84
		–	Payment for rural sports, nationally recognized sports, Paralympic sports and Olympic sports		
		6.51	Payment for educational & employment enhancing vocation skills		
		–	Others		

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Note 32 : Financial instruments – Fair values and risk management

### I. Fair value measurements

#### A. Financial instruments by category

	As At March 31, 2020			As At March 31, 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial assets</b>						
<b>Non-Current</b>						
Other non-current financial assets (Refer Note 5)						
– Security Deposits Considered Good	–	–	1,796.22	–	–	1,697.53
– Security Deposits Considered Doubtful	–	–	146.36	–	–	146.37
– Others	–	–	110.05	–	–	104.21
<b>Current</b>						
Cash and cash equivalents (Refer Note 9)	–	–	25,667.00	–	–	28,090.91
Bank balances other than above (Refer Note 10)	–	–	8,576.20	–	–	7,014.80
Other current financial assets (Refer Note 5)						
– Earnest Money Deposit	–	–	7.50	–	–	–
– Interest accrued on fixed deposits	–	–	76.56	–	–	193.89
– Expenditure on land acquisition – recoverable from MOR	–	–	3,522.61	–	–	2,564.93
– Expenditure on PETS survey – recoverable from MOR	–	–	0.10	–	–	0.10
– Other recoverable	–	–	665.15	–	–	664.25
– Security deposits	–	–	119.41	–	–	9.71
– Employee advances	–	–	215.34	–	–	166.12
– Advances to contractors/consultants	–	–	556.24	–	–	538.68
	–	–	<b>41,458.74</b>	–	–	<b>41,191.50</b>
<b>Financial liabilities</b>						
<b>Non-Current</b>						
Borrowings (Refer Note 13)	–	–	2,245,722.16	–	–	1,530,347.81
Lease liabilities (Refer Note 28)	–	–	4,679.97	–	–	–
Other non-current financial liabilities (Refer Note 14)	–	–	244,209.72	–	–	154,857.78
<b>Current</b>						
Trade Payables (Refer Note 17)	–	–	2,777.46	–	–	2,081.81
Other current financial liabilities (Refer Note 14)						
– Earnest money deposit	–	–	1,216.56	–	–	391.96
– Employee related liability	–	–	2,503.34	–	–	1,121.62



# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

	As At March 31, 2020			As At March 31, 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
– Deposits/Retention money	–	–	26,794.42	–	–	26,932.32
– Creditors for capital expenditure	–	–	154,956.04	–	–	124,999.82
– Funds received from MOR pending adjustment	–	–	403,744.89	–	–	305,384.59
– Interest accrued but not due on loan	–	–	22,327.14	–	–	6,389.45
– Lease liabilities (Refer Note 28)	–	–	2,716.09	–	–	–
	–	–	<b>3,111,647.79</b>	–	–	<b>2,152,507.16</b>

## B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Employee advances	–	–	110.05	110.05
<b>Total financial assets</b>	–	–	<b>110.05</b>	<b>110.05</b>
<b>Financial liabilities</b>				
Borrowings	–	–	2,218,791.64	2,218,791.64
Lease liabilities (Refer Note 28)	–	–	7,396.06	7,396.06
Deposits/ Retention money	–	–	48,286.83	48,286.83
<b>Total financial liabilities</b>	–	–	<b>2,274,474.53</b>	<b>2,274,474.53</b>

### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

	As at March 31, 2029			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Employee advances	–	–	104.21	104.21
<b>Total financial assets</b>	–	–	<b>104.21</b>	<b>104.21</b>
<b>Financial liabilities</b>				
Borrowings	–	–	1,508,452.73	1,508,452.73
Deposits/ Retention money	–	–	33,305.35	33,305.35
<b>Total financial liabilities</b>	–	–	<b>1,541,758.08</b>	<b>1,541,758.08</b>

### Measurement of Fair Value

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year

### C. Fair value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

Set out below is a 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 approximations of fair values:

	Carrying Values		Fair Values	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
<b>Financial assets measured at amortized cost</b>				
Employee advances	110.05	104.21	110.05	104.21
	<b>110.05</b>	<b>104.21</b>	<b>110.05</b>	<b>104.21</b>
<b>Financial liabilities measured at amortized cost</b>				
Borrowings	2,218,791.64	1,508,452.73	2,218,791.64	1,508,452.73
Lease liabilities (Refer Note 28)	7,396.06	—	7,396.06	—
Deposits/ Retention money	48,286.83	33,305.35	48,286.83	33,305.35
	<b>2,274,474.53</b>	<b>1,541,758.08</b>	<b>2,274,474.53</b>	<b>1,541,758.08</b>

The carrying amounts of current financial assets and liabilities such as cash and cash equivalent, bank balances, expenditure on land acquisition, expenditure on pets survey, recoverable from staff/ consultants, security deposits, other payables, interest accrued, security deposit NDMC, employee advances, earnest money deposit, other payables, funds received from MOR pending adjustment, interest accrued on loan from IBRD approximate their fair values, due to their short-term nature.

The fair values for employee advances were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit

The fair values of non-current borrowings, deposits and retention money are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

## II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

### i. Risk management framework

The Company's Audit Committee has overall responsibility for the establishment and oversight of the Company's risk management framework ('RMF'). As per RMF Company has well laid down a organisation structure for identifying, prioritising and mitigation of the risk. The Audit Committee has established the Risk Management Committee ('RMC'), which in association with Risk Mitigation Plan Owners is responsible for identification, prioritisation and mitigation of the risk. A risk library of top 20 risk and mitigation plan is in place. These risks and mitigation plan are monitored periodically for updation of risks and its mitigation. The RMC reports to the Audit Committee on periodical basis on its activities.

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management framework, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

## ii. 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 and investments in debt securities.

At present Company is in construction phase and do not have any customer or investment in debt securities. The financial asset mainly consists of money held in banks pending utilisation in construction activity. Company does not perceive any credit risk in respect of these financial assets.

The carrying amount of financial assets represents the maximum credit exposure.

### Other receivables

Other receivables mainly consist of recoverable from employees. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of other receivables. Basis the evaluation, the management has determined that there are no credit impairment loss on other receivables.

## iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Company is in construction of freight corridor for which loan from World Bank and JICA has since been tied up. As per the extant mechanism, based on the budget estimate and fund requirement, funds are received from Ministry of Railways (MOR) towards Equity and Externally Aided Component i.e. Loan. Company keeps on meeting contractual liability from that fund and thereafter sought reimbursement from World Bank and JICA for the share of loan. Once reimbursement is received from these agencies, equivalent amount is adjusted in account of Government of India. So Company at present does not have any liquidity risk.

### (a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As At March 31, 2020	As At March 31, 2019
Loan from JICA	670,295.56	1,036,745.26
Loan from IBRD	528,650.93	893,993.17
	<b>1,198,946.49</b>	<b>1,930,738.43</b>

The above mentioned amounts are INR equivalent and have been calculated at the closing exchange rate as at the Balance Sheet date

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

The credit facilities may be drawn by the Company on the basis of the future cash projections. The loan facilities may be drawn in INR (JICA) and USD (IBRD) and have an average maturity of 31.98 years (March 31, 2019 – 32.32 years) for JICA loan and have an average maturity of 15.43 years (March 31, 2019 – 16.43 years) for IBRD loan.

### (b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluding contractual interest payments the impact of netting agreements.

	Carrying Amounts			Contractual cash flows		
	31-Mar-20	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings	2,245,722.16	2,248,449.93	26,930.51	49,627.39	167,429.71	2,004,462.31
Deposit/ retention money	75,081.25	75,081.25	26,791.54	48,289.70	–	–
Lease liabilities	7,396.06	8,420.99	2,716.09	2,629.88	2,358.41	716.61
Interest accrued but not due on loan – JICA	210,900.25	213,117.74	14,977.36	13,851.68	49,391.38	134,897.32
Earnest money deposit	1,216.56	1,216.56	1,216.56	–	–	–
Employee related liability	2,503.34	2,503.34	2,503.34	–	–	–
Trade Payables	2,777.46	2,777.46	2,777.46	–	–	–
Others payables	154,956.04	154,956.04	154,956.04	–	–	–
Funds received from MOR pending adjustment	403,744.89	403,744.89	403,744.89	–	–	–
Interest accrued but not due on loan from IBRD	7,349.78	7,349.78	7,349.78	–	–	–
<b>Total non-derivative liabilities</b>	<b>3,111,647.79</b>	<b>3,117,617.98</b>	<b>643,963.57</b>	<b>114,398.65</b>	<b>219,179.50</b>	<b>2,140,076.24</b>
	Carrying Amounts			Contractual cash flows		
	31-Mar-19	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings	1,530,347.81	1,532,049.47	21,895.08	21,895.08	107,693.62	1,380,565.69
Deposit/ retention money	60,237.67	60,237.67	19,580.36	951.32	39,705.99	–
Interest accrued but not due on loan – JICA	121,552.43	130,287.62	3,243.08	3,331.94	11,177.91	112,534.69
Earnest money deposit	391.96	391.96	391.96	–	–	–
Employee related liability	1,121.62	1,121.62	1,121.62	–	–	–
Trade Payables	2,081.81	2,081.81	2,081.81	–	–	–
Others payables	124,999.82	124,999.82	124,999.82	–	–	–
Funds received from MOR pending adjustment	305,384.59	305,384.59	305,384.59	–	–	–
Interest accrued but not due on loan from IBRD	6,389.45	6,389.45	6,389.45	–	–	–
<b>Total non-derivative liabilities</b>	<b>2,152,507.16</b>	<b>2,162,944.01</b>	<b>485,087.77</b>	<b>26,178.34</b>	<b>158,577.52</b>	<b>1,493,100.38</b>

The interest payments on variable interest rate loans in the table above reflect current interest rates at the reporting date and these amounts may change as market interest rates change.

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company does not use derivatives to manage market risks.

### Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar (USD) and Japanese Yen (JPY). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level.

### Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR is as follows:

	As At March 31, 2020		As At March 31, 2019	
	USD	JPY	USD	JPY
<b>Financial liabilities</b>				
Borrowings	816,199.29	–	555,593.42	–
Others payables	4,642.84	45,941.09	1,141.98	26,406.47
Interest accrued but not due on loan from IBRD	7,349.78	–	6,389.45	–
Net statement of financial position exposure	<b>828,191.91</b>	<b>45,941.09</b>	<b>563,124.85</b>	<b>26,406.47</b>

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
USD 1	70.86	69.83	74.87	68.93
JPY 1	0.65	0.63	0.69	0.62

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or loss after tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>March 31, 2020</b>				
USD (1% movement)	(6,128.62)	6,128.62	(6,128.62)	6,128.62
JPY (1% movement)	(339.96)	339.96	(339.96)	339.96
<b>March 31, 2019</b>				
USD (1% movement)	(3,682.39)	3,682.39	(3,682.39)	3,682.39
JPY (1% movement)	(172.68)	172.68	(172.68)	172.68

# Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

## Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company policy is to maintain most of its borrowings at fixed rate. During March 31, 2020 and March 31, 2019, the Company's borrowings at variable rate were mainly denominated in USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## Exposure to interest rate risk

The interest rate profile of Company's interest-bearing financial instruments as reported to the management is as follows.

	Nominal Amount	
	As At March 31, 2020	As At March 31, 2019
<b>Fixed-rate instruments</b>		
Financial liabilities	1,432,250.64	976,456.05
	<b>1,432,250.64</b>	<b>976,456.05</b>
<b>Variable-rate instruments</b>		
Financial liabilities	816,199.29	555,593.42
	<b>816,199.29</b>	<b>555,593.42</b>

## Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased equity by following. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Equity, net of tax	
	100 bp increase	100 bp decrease
<b>March 31, 2020</b>		
Fixed-rate instruments	(34,977.86)	47,841.93
<b>Fair flow sensitivity (net)</b>	<b>(34,977.86)</b>	<b>47,841.93</b>
<b>March 31, 2019</b>		
Fixed-rate instruments	(20,607.55)	28,248.22
<b>Fair flow sensitivity (net)</b>	<b>(20,607.55)</b>	<b>28,248.22</b>

## Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

## Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

	Profit or loss after tax		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>March 31, 2020</b>				
Variable-rate instruments	(6,039.87)	6,039.87	(6,039.87)	6,039.87
<b>Cash flow sensitivity (net)</b>	<b>(6,039.87)</b>	<b>6,039.87</b>	<b>(6,039.87)</b>	<b>6,039.87</b>
<b>March 31, 2019</b>				
Variable-rate instruments	(3,633.14)	3,633.14	(3,633.14)	3,633.14
<b>Cash flow sensitivity (net)</b>	<b>(3,633.14)</b>	<b>3,633.14</b>	<b>(3,633.14)</b>	<b>3,633.14</b>

### Note 33 : Capital management

Company is in construction phase for construction of railways track for freight with equity funding from MOR and debt funding from World Bank and JICA . Considering the estimated cost, which has been approved by Cabinet Committee on Economic Affairs, Government of India, Company has definitive source of capital. Company expect to maintain adequate Capital in the Operation phase, since as per the Concession Agreement with MOR, Track Access Charges, which will be the tariff for use of tracks by authorised rail user, inter-alia includes return on equity for sustainable development of the Company.

The Company's adjusted net debt to equity ratio was as follows:

	As At March 31, 2020	As At March 31, 2019
Borrowings (Refer Note 13)	2,245,722.16	1,530,347.81
Trade payables (Refer Note 17)	2,777.46	2,081.81
Non current & current lease liability (Refer Note 28)	7,396.06	—
Other non current liabilities & current liabilities (Refer Note 16)	70,300.09	59,281.36
Less: cash and cash equivalents	25,667.00	28,090.91
<b>Net debt</b>	<b>2,300,509.62</b>	<b>1,563,620.07</b>
Equity share capital (Refer Note 11)	1,407,662.50	1,076,872.84
Other equity (Refer Note 12)	17,966.65	53,016.92
<b>Total Capital</b>	<b>1,425,629.15</b>	<b>1,129,889.76</b>
<b>Capital and net debt</b>	<b>3,726,138.77</b>	<b>2,693,509.83</b>
<b>Gearing ratio</b>	<b>61.74%</b>	<b>58.05%</b>

**Note 34 :** The amount shown under Capital Work in Progress represents the expenditure incurred by the Company on construction of Eastern and Western Dedicated Rail Freight Corridors. The Company has entered into an agreement with MOR to implement the project including its operation and maintenance for a period of 30 years. As per this agreement, the Company will charge track access charges for use of this facility. Consequent upon discussion with CAG, the Company had approached Expert Advisory Committee (EAC) of ICAI for seeking its opinion on appropriate accounting treatment of capital expenditure incurred by the Company on such project. During the year, an opinion of EAC was received vide its letter number TD/EAC/1694/19. After a detailed deliberation, the Company has sought additional clarifications from EAC. Upon receiving the final clarifications, the Company will deliberate on accounting treatment of such capital expenditure in its books of account for appropriate action.

### Note 35: Impact of COVID-19 on the Company

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Company's financial statements may differ from



## Notes to the financial statements for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. No material events except above have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements.

**Note 36 :** The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions. With regard to payments made to JICA funded projects which are covered under 'Reimbursement Mechanism' all parties issue 'Payment Receipt' based on which JICA releases loan disbursements. Payments covered under Commitment mechanism are released directly by JICA to account of Contractors through LC Mechanism. In both JICA and World Bank funded Contracts, payment position is indicated by parties in each bill preferred to DFCCIL which in itself is acknowledgment of funds receipt. Apart from above, so far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

**Note 37 :** Figures have been rounded off to nearest lakhs upto two decimals thereof, except otherwise stated.

**Note 38 :** The financial statements of the Company for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on August 26, 2020.

For and on behalf of Board of Directors of  
Dedicated Freight Corridor Corporation of India Limited

Sd/-  
(Ravindra Nath Singh)  
Managing Director  
DIN-08488013

Sd/-  
(Hira Ballabh)  
Director Finance & CFO  
DIN-08738632

Sd/-  
(Meenu Kapoor)  
Company Secretary  
ACS-18954

Place of Signature : New Delhi

Date : 26 August, 2020

**S.R. Dinodia & Co. LLP**

Chartered Accountants

K-39, Connaught Place, New Delhi - 110001

Ph.: +91-(0)11-43703300 Fax: +91-(0)11-41513666

# Independent Auditor's Report

To the Members of Dedicated Freight Corridor Corporation of India Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Dedicated Freight Corridor Corporation of India Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matter

We draw attention to note no. 34 to the financial statements regarding an opinion of Expert Advisory Committee (EAC) of ICAI received during the year on the existing accounting treatment for amount incurred and currently shown as Capital Work in Progress towards construction of Eastern and Western Rail Freight Corridors. The Company has sought additional clarification from EAC and upon receiving the same, will take necessary action.

Our opinion is not modified in respect of above matter.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Board Report, but does not include the financial statements and our auditor's report thereon. The Board Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibility of Management & Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income,

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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub section (5) of section 143 of the Companies Act 2013, the compliance of which set out in Annexure 'A'.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

3. As required by Section 143(3) of the Act, based on our audit we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 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.
  - The Balance Sheet, the Statement of Profit and Loss, Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - As per notification no. G.S.R. 463(E) dated June 05, 2015, the government companies are exempt from the provisions of section 164(2) of the act, accordingly, we are not required to report whether any directors are disqualified in terms of provisions contained in the said section.
  - With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
  - 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:
    - On the basis of written representations received from the Management of the Company, the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 26(B) of the financial statements.
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
4. With respect to the matter included in the Auditors' report under Section 197(16):
- As per notification no. G.S.R. 463(E) dated June 05, 2015, the government companies are exempt from the provisions of section 197 of the act, accordingly we are not required to report whether remuneration paid by the company to its directors is in accordance with the provisions of this section.

**For S.R. Dinodia & Co. LLP**

Chartered Accountants,

Firm's Registration Number 001478N/N500005

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

UDIN: 20083689AAAADG4841

Place of Signature: New Delhi

Date: 26 August, 2020

## Annexure 'A' to the Independent Auditors'

The Annexure referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the member of Dedicated Freight Corridor Corporation of India Limited on the Ind AS financial statement for the financial year March 31, 2020

S. No.	Directions	Our Report
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system and Company is currently using "Tally.Server9" Package for the same. Further, the Company is in process to implement SAP for accounting transactions.
2.	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 company's inability to repay the loan? If yes, the financial impact may be stated.	According to information and explanations given to us, there is no 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 Company's inability to repay the loan.
3.	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.	According to information and explanations given to us, the Company has not received any fund from Central/State agencies for specific scheme hence this clause is not applicable.

**For S.R. Dinodia & Co. LLP**

Chartered Accountants,

Firm's Registration Number 001478N/N500005

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

UDIN: 20083689AAAADG4841

Place of Signature: New Delhi

Date: 26 August, 2020

## **Annexure 'B' To the Independent Auditors' Report of even date on the Ind AS financial statements of Dedicated Freight Corridor Corporation of India Limited**

The Annexure referred to paragraph 3 in Independent Auditor's Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2020, we report that:

- i) In respect of fixed assets comprising Property, Plant and Equipment:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at regular intervals. In our opinion, such periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. However, during the year, as explained by the Company, due to COVID-19 pandemic, physically verification of its fixed assets could not be carried-out. Hence, we are unable to comment for this clause.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, since the Company does not have any immovable property hence this clause is not applicable to the Company.
- ii) The Company has been incorporated for design, built and operating the dedicated freight corridor. The operations are not yet commenced by the Company. Therefore, clause 3(ii) of the Order is not applicable.
- iii) According to the information and explanation given to us, the Company had not granted loans, secured or unsecured, to any of the companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014 to the current operations carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) In respect of statutory dues:
  - a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax and any other material statutory dues applicable to it with the appropriate authorities. We have been informed that Employee's State Insurance Scheme, Duty of Customs and Duty of Excise are not applicable to the Company. Further, there were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, Cess and any other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there were no dues of Income Tax or Sales Tax or Service Tax or Value Added Tax which have not been deposited on account of any dispute except the following, which have not been deposited on account of dispute:

Name of the Statute	Nature of Dispute	(Amount in ₹ 'Lakh')	Period (Assessment Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	142.10	2013-14	ITAT
Income Tax Act, 1961	Income Tax	169.46	2014-15	ITAT
Income Tax Act, 1961	Income Tax	0.58	2009-10	ACIT-TDS
Income Tax Act, 1961	Income Tax	1.40	2013-14	ACIT-TDS
Income Tax Act, 1961	Income Tax	2.70	2014-15	ACIT-TDS
Income Tax Act, 1961	Income Tax	20.41	2017-18	CPC
Income Tax Act, 1961	Income Tax	44.15	2017-18	CIT (Appeals)
Income Tax Act, 1961	Income Tax	7.65	2018-19	CIT (Appeals)

- viii) Based on our procedures & according to the information & explanations given to us by the management, the Company has not defaulted in repayment of loans & borrowings to any financial institution, bank, and government. According to the information & explanation given by the management, the Company does not have any debentures.
- ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. The term loans taken during the year were applied for the purpose for which the same has been raised.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) In view of the exemption given in terms of Notification No. G.S.R. No. 463(E) dated June 05, 2015 issued by the Ministry of Corporate Affairs; the provisions of Section 197 read with schedule V to the Companies Act, 2013 regarding managerial remuneration are not applicable to the Company.
- xii) The Company is not a Nidhi Company hence the provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii) As per notification no, 463(E) dated June 05, 2015, the Government companies are exempted from the provisions of section 188 of the Act in respect of contracts or arrangement entered into between the Government companies. Further, according to the information and explanations given to us, the Company has complied with the provisions of Section 177 of the Act, wherever applicable, and the details have been disclosed in Ind AS financial statements as required by the applicable Indian accounting standard.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 and the provisions of paragraph 3(xv) of the Order are not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

**For S.R. Dinodia & Co. LLP**

Chartered Accountants,

Firm's Registration Number 001478N/N500005

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

UDIN: 20083689AAAADG4841

Place of Signature: New Delhi

Date: 26 August, 2020



## **Annexure 'C' to the Independent Auditors' Report of even date on the financial statement of Dedicated Freight Corridor Corporation of India Limited**

### **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 with reference to financial statements of Dedicated Freight Corridor Corporation of India Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on "the internal control with reference to financial statements 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 S.R. Dinodia & Co. LLP**

Chartered Accountants,  
Firm's Registration Number 001478N/N500005

Sd/-

**(Sandeep Dinodia)**

Partner

Membership Number 083689

UDIN: 20083689AAAADG4841

Place of Signature: New Delhi

Date: 26 August, 2020