

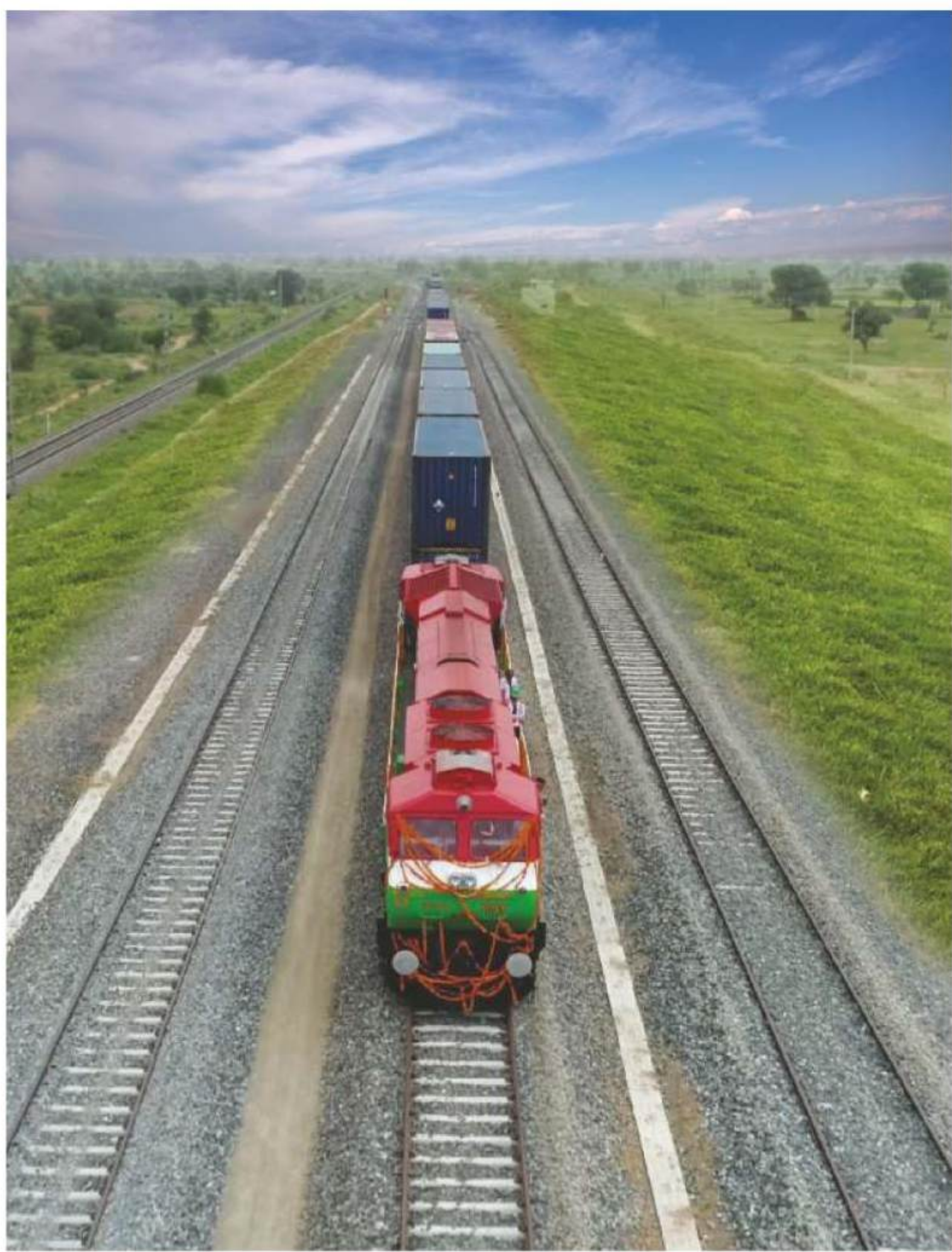


Dedicated Freight Corridor

2020-21 ANNUAL REPORT



Dedicated Freight Corridor Corporation of India Ltd.







Dedicated Freight Corridor Corporation of India Ltd.

A Government of India (Ministry of Railways) Enterprise

2020-21 ANNUAL REPORT

REGISTERED OFFICE

Dedicated Freight Corridor Corporation of India Ltd.
5th Floor, Supreme Court, Metro Station Building Complex
New Delhi – 110001, 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

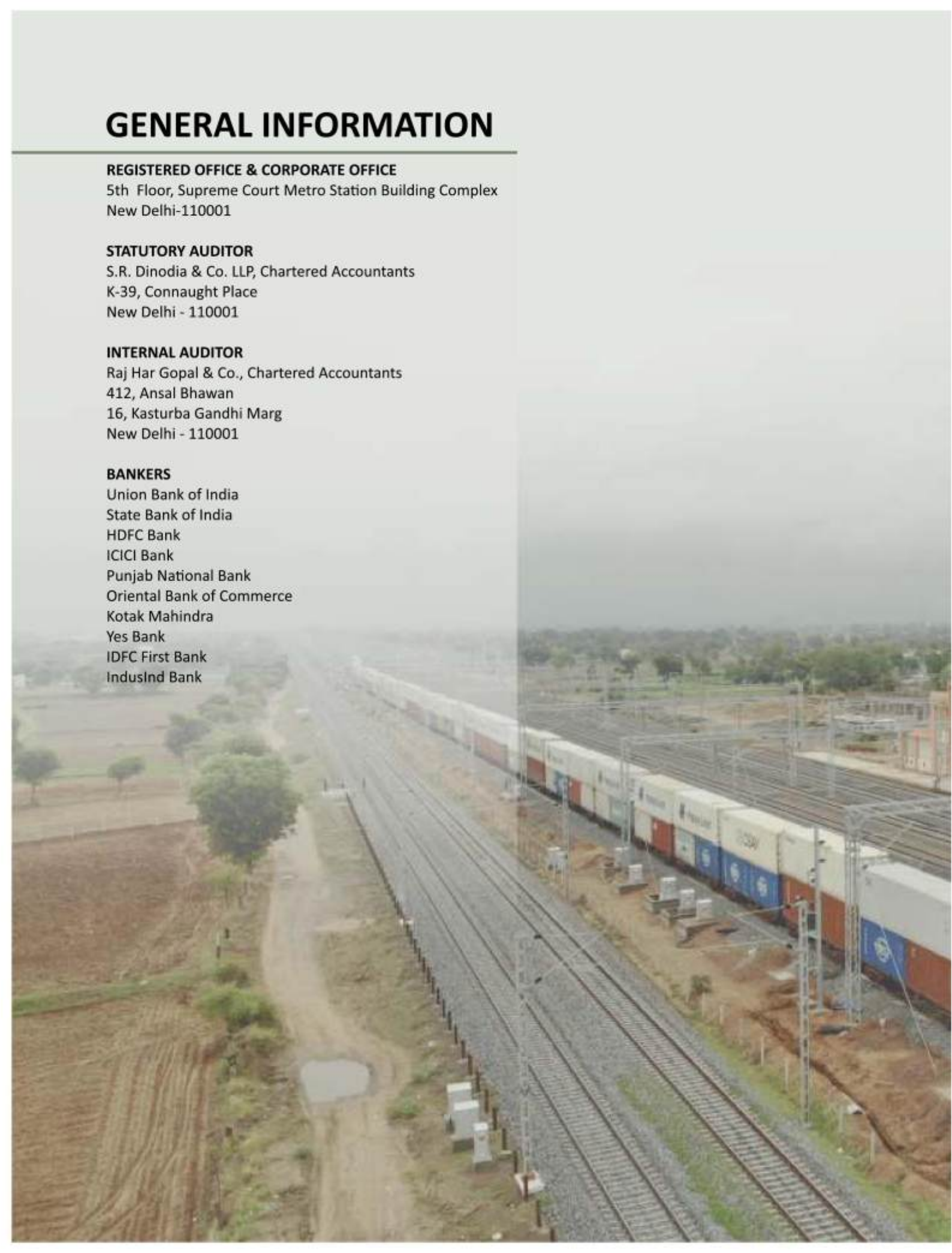
S.R. Dinodia & Co. LLP, Chartered Accountants
K-39, Connaught Place
New Delhi - 110001

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



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LIST OF DIRECTORS

(AS ON THE DATE OF AGM)

S.No.	Name of the Director	Designation	Date of holding office w.e.f.
1	Shri Suneet Sharma	Part Time Chairman (Official)	26.08.2021
2	Shri R. K. Jain	Managing Director	11.12.2020
3	Shri Hira Ballabh	Director (Finance)	05.05.2020
4	Shri Nanduri Srinivas	Director (Operations & Business Development)	15.06.2020
5	Shri Hari Mohan Gupta	Director (Infrastructure)	13.10.2020
		Director (Project Planning)(L/A)	01.01.2021
6	Shri R. N. Singh	Part time Official Director (Government Nominee-MoR)	20.06.2019
7	Sh. B. Ramana Kumar	Independent Director	29.07.2019



Shri Suneet Sharma
Part Time Chairman (Official)



Shri R. K. Jain
Managing Director



Shri Hira Ballabh
Director (Finance)



Shri Nanduri Srinivas
Director (Operations &
Business Development)



Shri Hari Mohan Gupta
Director (Infrastructure) &
Director (Project Planning)(L/A)



Shri R. N. Singh
Part time Official Director
(Government Nominee-MoR)



Sh. B. Ramana Kumar
Independent Director



6



Dedicated Freight Corridor

CHAIRMAN'S MESSAGE



"Importance of Dedicated Freight Corridors for an aspiring and growing country like India cannot be overstated and DFCCIL is committed for the timely execution of the project."

Suneet Sharma
Chairman

It gives me immense pleasure to welcome you to the 15th Annual General Meeting of the company and give you an insight into the performance of DFCCIL in the year 2020-21. The Directors' Report along with Audited Financial Statements of the Company for the financial year 2020-21 and Auditors Report have already been circulated.

Importance of Dedicated Freight Corridors for an aspiring and growing country like India cannot be overstated and DFCCIL is committed for the timely execution of the project. Creation of rail infrastructure on such a large scale is unprecedented in independent India. On Completion, DFCs will drive establishment of industrial corridors and logistic parks along the alignment which will bring new impetus to the growth of the nation. The financial year 2020-21 presented an unprecedented challenge in form of COVID-19 which brought whole world to a standstill. Lockdowns and paranoia of pandemic disrupted the routine way of working and affected each one of us at an individual level. But, I am pleased to report that even in the face of this challenging environment, DFCCIL continued to march ahead with the project and completed several milestones during this period.

Achievements of the year:

In financial year 2020-21, DFCCIL commissioned 657 km in WDFC and EDFC. Hon'ble PM Shri Narendra Modi dedicated 351 Km Khurja-Bhaupur double line section of EDFC and state of the art Operation Control Centre in Prayagraj to the nation on 29.12.2020. On the occasion, Hon'ble PM flagged off two long haul trains from New Khurja and New Bhaupur stations and appreciated the hard work put in by the DFCCIL team

in commissioning of the section. Further, on 07.01.2021, Hon'ble PM inaugurated 306 Km Rewari - Madar electrified double line section of WDFC and flagged off double stack long haul container trains from New Ateli and New Kishangarh stations.

DFCCIL conducted successful trial run of freight train in Madar - New Palanpur section (353 km) of WDFC on 31.03.2021. On the same day, successful trial run of Electric Locomotive was also conducted in Ganjkhwaja - Chirailpathu section (100 km) of EDFC. Total Scope of Dedicated Freight Corridors is 2843 km route (excluding 538 Km section which is to be executed through PPP mode). Now, 40 % of DFC stretching across 1110 km is complete.

In newly inaugurated sections, more than 2500 trains plied, transporting more than 2 Billion GTKM of traffic upto March 2021. Average train speed of 65 kmph was achieved on these sections which is substantially higher than average speed of freight trains on Indian Railways network. Operation of DFC has brought in significant relief during fog season especially in NCR.

During the year under review, the Company has achieved CAPEX of Rs.13,366 Crore (including land), which is the highest ever in the history of DFCCIL. Compared to last year CAPEX in financial year 2020-21 is 6% more. This increase is despite losing more than 3 months of crucial working season due to COVID-19 related lockdown, which badly affected the project.

Physical progress of the project:

DFCCIL requested various State Governments for relaxation of certain lockdown norms and resumed the construction activities duly following all COVID related protocols. Work was proactively resumed with more than 20,000 workers at more than 500 sites in 57 districts.

Track linking using state-of-the-art New Track Construction (NTC) machine is being done on DFC network. Track linking of 741 km has been done in the year taking the cumulative linking to 3321 km. OHE wiring by Mechanized wiring train has been started for the first time in India in DFC and wiring of 1152 km track km has been done in the year 2020-21. This is highest ever OHE wiring completed in single year. Cumulative 2660 track km OHE wiring has been completed till 31.03.2021. The project achieved overall financial progress of 70% upto 31st March 2021.

This mega project involved land acquisition of 11813 Hectares. DFCCIL has completed the land acquisition process for the project, barring few issues in small patches of land in different states. Constant monitoring and concerted efforts in liaison with State/District Authorities led to possession of more than 123 critical patches stretching along 46 km of DFC alignment.

New dashboard has been created for better monitoring of project. All project related data is now available on real time basis. This dashboard is shared with State Govts and Zonal railways to register and monitor critical items related to project.

Contractors were badly affected by COVID 19 pandemic and lockdown/restrictions. This severely affected labour availability and imposed huge stress on cash flow of contractors, thereby affecting project progress. DFCCIL management proactively took many initiatives to provide financial assistance to contractors. These included breaking down of cost centers using FIDIC Clause 14.6, provision of additional mobilization advance, simplification of billing process, release of Performance Guarantee in proportion with progress of work, etc. This has helped in pumping more money into the hands of contractors leading to faster



execution of works.

538 km long Sonnagar - Andal - Dankuni section of EDFC is planned to be constructed through PPP mode under DBFOT (Design, Build, Finance, Operate & Maintain and Transfer) model. Documents for DBFOT and Draft Model Concession Agreement for Sonnagar-Andal section is under preparation.

Government has approved preparation of Detailed Project Reports for three new Dedicated Freight Corridors connecting mineral rich region and ports of Eastern India. East Coast Corridor connecting Kharagpur to Vijaywada, East West Corridor linking Bhusawal to Dankuni section and North-South Corridor connecting Itasri to Vijaywada may augment DFC network by additional for thousand km. Studies of the preliminary alignment for all the three corridors under progress and identification of major traffic potential nodes is being done.

Business Development:

For development of freight terminals on private land with private investment, 14 locations have been awarded to 3 successful participants. This will bring in investment worth Rs 2,000 Cr along with additional 30 MT of yearly traffic. Four new Goods sheds were notified this year along the DFC alignment.

The progress of upgradation of the feeder routes including upgradation of Tracks, Bridges, Overhead wiring etc. is being done by Indian Railways for seamless connectivity with DFC. Kandla, Mundra and Pipavav ports of Western India will shortly be connected with National Capital Region through feeder routes. Action plan for running of Double Stack containers on the feeder routes has been prepared and implemented which will enable smooth running of Double Stack containers To and Fro the ports of Kandla, Mundra and Pipavav.

Corporate Governance

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.

CRISIL has reaffirmed the CCR AAA/Stable rating to DFCCIL vide report dated 28.04.2021. ICRA, a unit of Moody's has also reaffirmed [ICRA] AAA (Stable) rating for DFCCIL vide report dated 07.01.2021. India Ratings & Research, A Fitch Group Company has affirmed Long term issuer rating at IND AAA to DFCCIL vide report dated 30.07.21. CARE, has affirmed CARE AAA (Is) Stable rating for DFCCIL vide report dated 06.10.2020.

Acknowledgements

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, World Bank, JICA, other Bankers and business associates for their support to DFCCIL. I also thank all the other stakeholders of the company for their continued support.

Place : New Delhi
Date : 16.11.2021

Sd/-
Suneet Sharma
Chairman



SHORTER NOTICE

NOTICE is hereby given that 15th Annual General Meeting of the Members of Dedicated Freight Corridor Corporation of India Limited (CIN: U60232DL2006GOI155068) will be held on 16th November, 2021 at 15:30 Hrs. in Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001, to transact the following business:

ORDINARY BUSINESS

- To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2021, 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 2021 comprising Balance Sheet as at 31st March 2021, the Statement of Profit & Loss for the year ended 31st March 2021, Cash Flow Statement for the year ended 31st March 2021 along with Notes thereto, and the Auditors' Reports thereon, as well as the Directors' Report along with its Integral Reports.

- 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 Suresh Chandra & Associates, Chartered Accountants, as the Statutory Auditor of the Company for the financial year 2021-2022, 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

- To consider appointment of Shri Ravindra Kumar Jain, IRSE (DOB:15.07.1964, DITS : 15.03.1988), ex CAO/Con., Eastern Railway as Managing Director, Dedicated Freight Corridor Corporation of India Limited, 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.2019/E(O)II/40/17. dated 08.12.2020 , of Shri Ravindra Kumar Jain, IRSE(DOB:15.07.1964,DITS : 15.03.1988),ex CAO/Con., Eastern Railway as Managing Director, on the Board of Dedicated Freight Corridor Corporation of India Limited(DFCCIL) from the date of assumption of charge of the post till 31.07.2024 i.e. 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."



4. To consider appointment of Shri Suneet Sharma, Chairman & CEO, Railway Board as part-time Chairman 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 President of India vide Railway Board’s order no. 2021/PL/61/2Pt. dated 26.08.2021, of Sh. Suneet Sharma, Chairman & CEO, Railway Board as part-time chairman on the Board of the Dedicated Freight Corridor Corporation of India Limited(DFCCIL) with immediate effect till he holds the post of Chairman & CEO, Railway Board 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.”

Place : New Delhi
Date : 09.11.2021

By Order of the Board
Sd/-
Meenu Kapoor
Company Secretary



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 -4 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 2020-21 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 –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.2019/ E(O)II/40/17. dated 08.12.2020 , Competent Authority has approved appointment of Shri Ravindra Kumar Jain, IRSE(DOB:15.07.1964, DITS : 15.03.1988), ex CAO/Con., Eastern Railway as Managing Director, on the Board of Dedicated Freight Corridor Corporation of India Limited(DFCCIL) from the date of assumption of charge of the post till 31.07.2024 i.e. 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 Ravindra Kumar Jain.

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. 2021/PL/ 61/2Pt. dated 26.08.2021 competent authority approved appointment of Sh. Suneet Sharma, Chairman & CEO, Railway Board as Part-time chairman on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect till he holds the post of Chairman & CEO, Railway Board or 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 Suneet Sharma.



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 Rs. 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 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 15th Annual General meeting of the Company in Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001 on 16th November, 2021 at 15:30 Hrs.

DIRECTORS' REPORT

Ladies /Gentlemen,

Your Directors have pleasure in presenting the Fifteenth Directors' Report of the Company along with the Financial Statements for the year ended 31st March 2021.

The activities of Dedicated Freight Corridor received a tremendous boost during 2020-2021 under the guidance and support from the Ministry of Railways, this was despite the work being hampered on account of COVID-19 Pandemic. A number of innovative steps were taken by all the stakeholders to ensure works were carried out at fast pace once the lockdown was relaxed and put the best foot forward to ensure commissioning of sections within targeted time frame. 657 km of DFC was inaugurated by Hon'ble Prime Minister and another 453 km completed.

I take this opportunity to highlight few of the achievements during the year 2020-21 in this report.

Highlights

1.1.Hon'ble PM dedicated the 351 Km Khurja-Bhaupur double line section of EDFC and State of the Art Operation Control Centre in Prayagraj to the nation on 29.12.2020. Hon'ble PM also flagged off long haul trains from New Khurja and New Bhaupur stations and appreciated the hard work put in by the DFCCIL team in commissioning of the section.



Hon'ble PM dedicates the Khurja-Bhaupur section of EDFC to the nation



Flagging off of 2 Long Haul freight trains from New Khurja & New Bhaupur



Inauguration of State of Art Operations Control Centre at Prayagraj (EDFC)

- 1.2. Hon'ble PM dedicated the 306 Km Rewari-Madar electrified double line section of WDFC to the nation on 07.01.2021. Hon'ble PM also flagged off double stack long haul container trains from New Ateli and New Kishangarh stations and appreciated the efforts by all concerned.



Rewari-Madar section (306 Km) dedicated to nation by Hon'ble PM on 07.01.2021



Double stack long Haul train operation in Rewari-Madar section of WDFC

- 1.3. Successful trial run of freight train in Madar-New Palanpur section (353 km) of WDFC was conducted on 31.03.2021.
- 1.4. Successful trial run of Electric Locomotive was conducted in Ganjkhwaja-Chirailpathu section (100 km) of EDFC on 31.03.2021



Electric Locomotive trial run in Ganjkhwaja-Chirailpathu section of EDFC

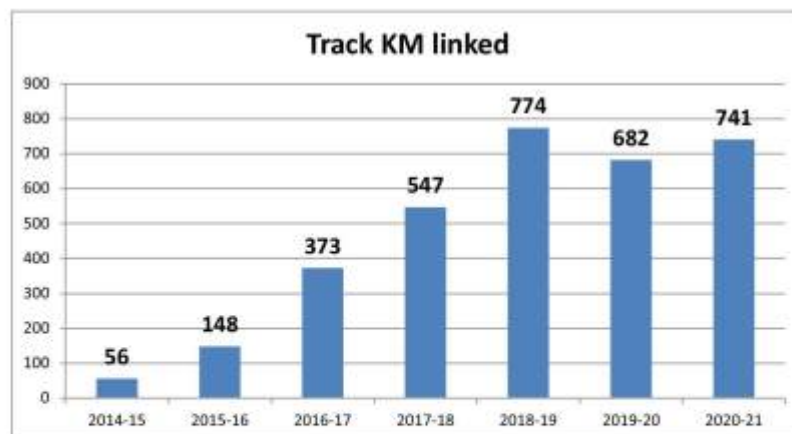
- 1.5. Fourteen locations have been awarded to 3 successful participants for development of freight terminal on private land with private investment.
- 1.6. Thirteen Consultancy firms have been shortlisted for empanelment to provide Consultancy Services for Traffic potential survey/study, infrastructure availability, Freight market study, feasibility study and preparing DPR for logistics parks & terminals, Connectivity lines etc.
- 1.7. More than 2500 trains have been run in newly inaugurated sections. Cumulative earning of traffic touched 2 Billion GTKM of traffic since the commissioning. Average speed of trains was 54 kmph,

substantially higher than average speed of freight trains in Indian Railways. Additional 453 km section has since been completed. Kandla, Mundra and Pipavav ports of western India will shortly be connected with National Capital Region. This will also decongest passenger traffic on already saturated sections in Uttar Pradesh and Bihar.

- 1.8. New Dashboard has been created for monitoring of Project. All project related data is now available in real time basis. Dashboard is shared with State Govts, Zonal railways to register and monitor critical items related to them.
- 1.9. Track linking of 741 km has been done in the year taking the cumulative linking to 3321 km.



Mobilization of NTC Machine at Gothangam Yard

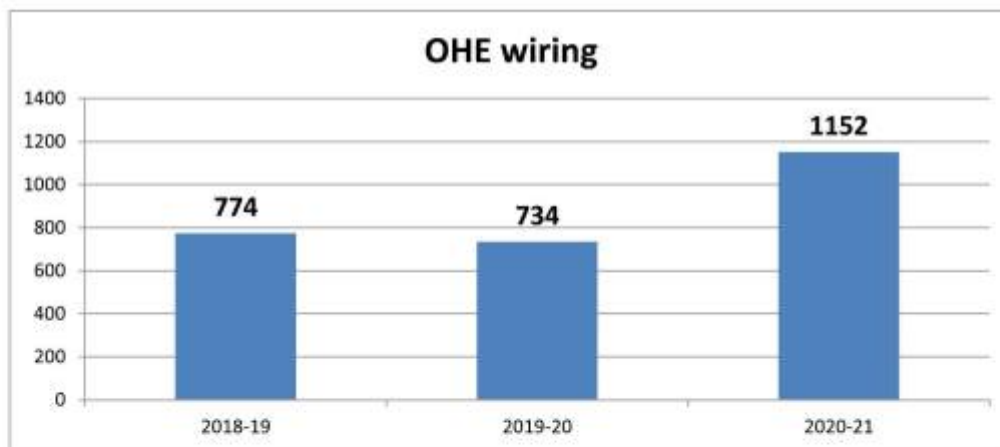


- 1.10. OHE wiring by Mechanized Wiring Train has been started for the first time in India in both EDFC & WDFC. In this process, stringing of contact & catenary wire is being done simultaneously under tension. In this facility the dropping activity can follow immediately thereafter. Each machine is capable of undertaking wiring of 3 km per shift. At present there are 4 wiring trains in EDFC-1 & WDFC.

OHE wiring of 1152 km has been achieved in the year 2020-21. This is highest ever wiring in single year. Cumulative 2660 TKM OHE wiring has been completed till 31.03.2021.



Panoramic view of Electrified section at Dabla Yard



- 1.11. The project has witnessed a major leap in the progress of Civil, Electrical and S&T construction works. Leading to commissioning and successful trial runs of Freight trains in both Eastern and Western Corridor.



Bridge on river Yamuna between Deen Dayal Upadhyaya Nagar and Bhaupur



Launching of girders on bridge over Yamuna in Rewari-Dadri section

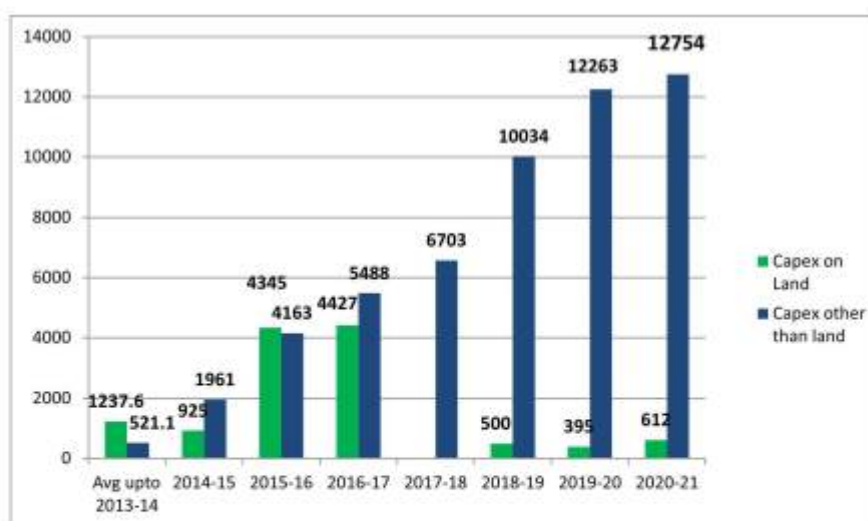
1.12. Other major items:

Major Bridges : 290 completed out of 540. (54%)

RUBs : 1061 completed out of 1582. (67%)

ROBs : 92 completed out of 302. (30%)

1.13. **CAPEX:** During the year under review, the Company has achieved and CAPEX of Rs. 12754 Crore (Without Land), **which is the highest ever in the history of DFCCIL**. This increase is despite the loss of more than 3 months of crucial working season due to COVID-19, which badly affected project.



1.14. Railway Board has accorded In-Principle approval on operation of Truck on Train (TOT) movement between New Palanpur to New Rewari stations over DFCCIL for a period of one year from the day of first rake movement.

1.15. **Land Acquisition ;-**

- (a) **RESOLUTION OF LAND MATTERS AFFECTING PROJECT PROGRESS :** Constant monitoring and concerted efforts in liaison with State/District Authorities led to removal of land hindrance from critical patches in districts of Meerut (08 KM), Muzaffarnagar (17KM), Saharanpur (05 KM), Mirzapur (03 KM) and Kanpur Nagar (160 meters) in the state of Uttar Pradesh. Long pending issues of physical possession of land in districts of Aurangabad (1.59 Ha at village Pipra), Kaimur (500 m stretch in village Cheharia) and Rohtas (Village Nimia/Resendua) in the State of Bihar were resolved.

Issue of delay in physical possession of defense land in District Prayagraj and pending issue of cancellation of Resumption (0.3388 Ha in a stretch of 200 m) at Village Jamalpur, District GB Nagar (UP) got resolved.

- (b) **WAIVER OF ANNUAL LEASE RENT CHARGES :** Waiver of annual lease rent @10% p.a. of land cost as demanded by Uttar Pradesh Forest Department [for 11.8 Ha forest land in GautamBudh

Nagar] was obtained. It would result in big savings in recurring expenditure.

Long pending issues of Resumption of Government land in Pali and Gulistanpur villages of GB Nagar were also resolved.

(c) DISPOSAL OF LAND ARBITRATION CASES : Pending arbitration cases in district Muzaffarnagar (350 cases) and Saharanpur (100 cases) were resolved in coordination with district authorities. Arbitration case affecting physical possession of land at village Hirodih, district Koderma in Jharkhand was resolved. More than 450 Arbitral Awards received from field units were expedited at HQ.

(d) NOTIFICATION OF GAZETTE: A total of 134 Gazette Notifications were processed and published under section 20A/20E of the Railways Act in coordination with L&A Directorate/Railway Board, Legislative Department of the Ministry of Law & Justice and Government of India Press, Mayapuri.

1.16. CRISIL has reaffirmed the CCR AAA/Stable rating to DFCCIL vide report dated 28.04.2021. ICRA, a unit of Moody's has also reaffirmed [ICRA]AAA(Stable) rating for DFCCIL vide report dated 07.01.2021. India Ratings & Research, A Fitch Group Company has affirmed Long term issuer rating at IND AAA to DFCCIL vide report dated 30.07.21. CARE, has affirmed CARE AAA(Is);Stable rating for DFCCIL vide report dated 06.10.2020.

2.1 Financial Statements

Financial Statements for financial year 2020-21 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. Major financial Highlights of the Company during the year 2020-21 are as follows:

a) Capital Expenditure on Project Execution

(In Rs. Crore)

Description	As on 31.03.2020	During Financial Year 2020-21	As on 31.03.2021
CAPEX (Without cost of land)			
Tangible assets	25.30	13,641.21	13,666.51
Capital work in Progress	37,956.62	58.58	38,015.20
Right-of-use assets	75.42	-25.92	49.50
Other Intangible assets	0.10	-0.02	0.08
Intangible Assets under development	17.71	3.76	21.47
Capital Advances	6,567.66	-1,081.50	5,486.16
Depreciation on capitalized Section	-	157.53	157.53
Total Capex (Without cost of land)	44,642.81	12,753.64	57,396.45
COST OF LAND (Borne by MOR)	16,779.80	611.20	17,391.00
Total Capex with cost of land	61,422.61	13,364.84	74,787.45



b) DEVELOPMENT ACCOUNT: During the year, the balance of Development Account amounting to Rs.1,389.64 Crore has been transferred to Capital Work-in-Progress.

(In Rs. Crore)

Particulars	For year ended 31.03.2021	For year ended 31.03.2020
Employee benefit expenses	184.95	191.56
Finance cost (Including Interest)	1,074.45	1,680.38
Depreciation & amortization expenses	5.75	5.03
Administration & Other expenses	137.34	146.88
Sub-Total	1,402.49	2,023.85
Less : Other Income	12.85	14.32
Total Transferred to CWIP	1,389.64	2,009.53

c) Revenue from Operations: For the first time, consequent to Commissioning of 2 Part Sections Viz. Madar-New Rewari and New Khurja-New Bhaupur, Company has booked Unbilled Revenue of Rs.289.89 Crores in its Books based on Track Access Charge (TAC) methodology provided by Railway Board.

d) Commissioning and capitalization of 2 Part Sections: During the year Company has commissioned 2 Part Sections with following details: -

Sr.	Section Name	Date of Commercial operation	Route Kms	Track Kms
1	Madar-New Rewari	28th Dec 2020	315.628	682.26
2	New Bhaupur-New Bhadan	20th Dec 2020	350.787	743.64
	New Bhadan- New Khurja	23rd Nov 2020		

As a result of the above commissioning, Company has Capitalised following Capital Work in Progress (CWIP) in to Property, Plant and Machinery:-

(In Rs. Crore)

Nature of Assets	Name of Sections capitalised		Total	%
	Madar-New Rewari	New Khurja-New Bhaupur		
CIVIL	4856.17	5218.32	10074.49	73.14
ELECTRICAL	1077.75	1249.70	2327.46	16.90
S&T	636.17	735.31	1371.48	9.96
Gross value of Assets	6570.10	7203.34	13773.44	100%
Depreciation	70.18	87.35	157.53	
Net Value of Assets	6499.92	7115.99	13615.91	
Cost per Route km	20.82	20.53	20.67	
Cost per Track Km	9.63	9.69	9.66	

e) Dividend: "No" Dividend is Recommended, as the Company has only started partial operations and is still under construction phase.

f) Amount transferred to Reserve & Surplus: 114.27 Crore (profit) through P&L account.

2.2.1 SOURCE OF FUND: Capital Structure

As on 31st March 2021, the Authorized Share Capital of Company stands at Rs.22000,00,00,000 (Rupees Twenty Two Thousand Crore) divided into 22,00,00,000 (Twenty Two Crore) Equity shares of Rs. 1,000/- each against which paid up share capital is Rs. 14,076.63 Crore. There has been no change in Paid-up Share Capital during the year.

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

(In Rs. Crore)

PARTICULARS	As on 31st March 2021	As on 31st March 2020
EQUITY FUNDING		
Shareholder's Fund	14,076.63	14,076.63
Other Equity	293.94	179.67
Sub Total	14,370.57	14,256.30
DEBT FUNDING		
JICA	17,552.21	14,322.50
IBRD	9,758.28	8,134.72
Sub Total	27,310.49	22,457.22
Grand Total	41,681.06	36,713.52



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) - Consultancy.

The Loan Agreement ID-P205 for Engineering Services Consultancy (Phase-I) for 2.606 Billion Japanese Yen for Vadodara – Rewari section of 947 km was signed with JICA and funds to the tune of JPY2.086 Billion till closer of the Loan i.e. on 23.02.2017.

Another loan Agreement ID-P212 for Engineering Services Consultancy (Phase II) (Vadodara - JNPT and Rewari–Dadri) – 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:

The Loan Agreement ID-P209, first tranche for construction in the Phase I, for 90.262 billion Japanese Yen was signed with JICA and JPY 86.256 billion have been utilized in this loan up to 31.03.2021. The loan agreement ID-P253, second tranche for 103.664 billion Japanese Yen was signed with JICA on 31-3-2016 and JPY 99.937 billion have been utilized in this loan up to 31.03.2021. The loan agreement ID-P288, 4th tranche for 130.000 billion Japanese Yen was signed with JICA on 27.03.2020. This Loan has been made effective w.e.f. 01.04.2021.

- (iii) The Loan Agreement for WDFC Phase-II (Main Loan) –Construction :

The Loan Agreement ID-P229, first tranche for construction in the Phase II, for 136.119 Billion Japanese Yen was signed with JICA and JPY 89.013 billion have been utilized in this loan up to 31.03.2021.

- (iv) Funding for Mughalsarai-Kanpur-Khurja-Ludhiana section (1131 Kms) and Khurja-Dadri Section of Eastern Dedicated Freight Corridor:

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 640.300 Million has been utilized in this loan up to 31.03.2021.

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 267.467 Million has been utilized in this loan up to 31.03.2021

3. STATE OF COMPANY AFFAIRS.

3.1 Contracts;

Item No.1. Contract Awarded during Financial Year 2020-21 : Eastern Corridor (Costing more than 50 Crores)

(Rs. in Crore)

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Amount of Award (INR Cr.)	Funded by
1.	Construction of Approach portion, viaduct spans & approach road between PATA-SAHMO stations & TDL-CNB Section PRYJ Division of NCR.	Works	27.08.2020	73.55	DFCC & Railways
2.	Construction of Approach portion, including viaduct spans & approach road between SHW-ETW stations & TDL-CNB Section PRYJ Division of NCR.	Works	17.09.2020	73.16	DFCC & Railways
3.	CP-203(R), Signaling Works (Bhaupur-DDU Section).	Works	23.11.2020	494.98	DFCC
4.	Construction of Railway portion and approach portion of ROBs between Wair and Dadri stations on Khurja-Dadri section of PRYJ Division of NCR.	Works	30.04.2020	91.77	DFCC & Railways
5.	Construction of ROB, FOB & related works in all respect in DDU division of ECR.	Works	10.08.2020	72.16	DFCC & Railways
6.	Construction of RFO & related works in all respect in ECR in the state of Bihar.	Works	25.09.2020	321.77	Equity



Contract Awarded during Financial Year 2020-21 : Western Corridor

(Rs. in Crore)

S. No.	Nature of the Work	Eastern/ Western DFC	Work/ Consultancy	Date of Award	Amount of Award	Funded By
1	Consultancy & related services for preparation of DPR of following Future corridors: i) East- cost corridor comprised of section –Kharagpur To Vijayawada (1115 RKM) ii) East –West sub corridor – Bhusaval - Nagpur - Kharagpur – Dankuni (1673 RKM) and sub corridor –Rajkharswan - Kalipahari - Andal(195RKM) iii) North – South sub Corridor comprised of section – Vijayawada - Nagpur – Itarsi (975 RKM)	Future corridor	Consultancy & DPR related	i) 4.12.2020 ii) 4.12.2020 iii) 4.12.2020	i) 379,351,153.65 ii) 604,718,303.29 iii) 336,681,638.70	Railway Equity

Item No.2. Contracts likely to be Awarded during Financial Year 2021-22: Eastern Corridor (Costing more than 50 Crores)

S. No.	Nature of work	Estimated Cost (Cr.)
1	Construction of Rail Fly over and other related works in all respect in connection with construction of EDFC.	296.08

Item No. 3– Physical and Financial progress of Major Contracts as on 31.03.21 : Eastern Corridor (Costing more than 50 Crores).

(Rs. in Crore)

S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress w.r.t. updated contract value	Physical Progress
1	CP - 101 - Civil Works (Khurja - Bhaupur)	Works	14.03.2013	115%	99.95%
2	CP - 102 - Civil Works (Khurja - Bhaupur)	Works	14.03.2013	123%	100%
3	CP - 103 - Civil Works (Khurja - Bhaupur)	Works	14.03.2013	120%	99.80%

(Rs. in Crore)

S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress w.r.t. updated contract value	Physical Progress
4	CP - 104 - System Works (Khurja - Bhaupur)	Works	03.08.2015	108%	95.5%
5	CP - 201 - Civil Works (Bhaupur - Mughalsarai)	Works	12.05.2015	72.67%	69.5%
6.	CP - 202 - Civil Works (Bhaupur - Mughalsarai)	Works	12.05.2015	77.35%	71.00%
7.	CP - 203** - Signaling Works (Bhaupur - Mughalsarai)	Works	03.08.2016	28.02%	21.08%
8.	CP - 203R - Balance Signaling Works (Bhaupur - Mughalsarai)	Works	01.12.2020	0.0%	4.21%
9.	CP - 204 - Electrification Works (Bhaupur - Mughalsarai)	Works	15.06.2016	75.41%	70.00%
10.	CP- 301 - Civil Works (Sahnewal - Pilkhani)	Works	14.07.2016	60.00%	55.00%
11.	CP-302-Civil Works (Khurja-Dadri)	Works	14.07.2016	75.52%	74.97%
12.	CP-303-Civil Wroks (Khurja-Pilkhani)	Works	12.03.2018	67.65%	61.24%
13.	CP - 105 - System Contract	Works	04.06.2020	18.58%	29.75%
14.	CP - 304 - System Contract	Works	03.06.2020	2.00%	3.45%
15.	CP - 305 - System Contract	Works	04.06.2020	6.58%	9.16%
16.	Project Management Consultancy for Bhaupur - Khurja Section of EDFC - 1	Consultancy	31.10.2013	80.00%	80.00%
17.	QSAC Services Khurja - Bhaupur Section of EDFC - 1	Consultancy	08.05.2014	98.00%	100.00%
18.	Project Management Consultancy for Mughalsarai - New Bhaupur Section	Consultancy	01.07.2015	79.00%	70.00%
19.	Quality and Safety Audit Consultancy for Mughalsarai- New Bhaupur Section	Consultancy	01.12.2015	75.46%	92.00%
20.	Project Management Consultancy for construction of Sahnewal - Pilkhani Section	Consultancy	10.10.2016	70.8%	58.06%



(Rs. in Crore)

S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress w.r.t. updated contract value	Physical Progress
21.	Quality and Safety Audit Consultancy Services for Sahnewal - Khurja Section and Khurja – Dadri Section	Consultancy	20.03.2017	50.00%	76.19%
22.	Project Management Consultant for Khurja - Dadri Section of EDFC	Consultancy	20.03.2018	67.37%	85.33%
23.	Project Management Consultant for Khurja - Pilkhani Section of EDFC	Consultancy	20.02.2018	46.00%	63.00%

Physical & Financial Progress of the Contracts: WESTERN CORRIDOR

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Date of Commencement	Financial Progress w.r.t. updated contract value	Physical Progress
A.	Civil & Track work package					
1.	CTP-1&2: Design & Construction of Civil, Building Track Works for double line railway (Rewari-Iqbalgarh Section – 625 Km)	Work	07.06.2013	30.08.2013	97.40%	99.63%
2.	CTP-3(R): Design & Construction of Civil, Building Track Works for double line railway excluding Bridge across rivers Mahi & Sabarmati (Iqbalgarh - Makarpura, Vadodara Section- 289 Km)	Work	25.02.2016	06.06.2016	53.42%	60.04%
3.	CTP-13: Design & Construction of Civil, Building Track Works for double line railway excluding 4 bridges already under execution and 03 bridges over existing railway and across rivers Tapi & Narmada (Makarpura, Vadodara-Sachin Section – 131 Km)	Work	22.05.2015	15.10.2015	51.53%	56.95%

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Date of Commencement	Financial Progress w.r.t. updated contract value	Physical Progress
4.	CTP-12: Design & Construction of Civil, Building Track Works for double line railway excluding 50 bridges already under execution and 02 bridges on Damanganga & Par (Sachin-Vaitarana Section – 186 Km)	Work	22.02.2015	15.10.2015	51.73%	53.85%
5.	CTP-11: Design & Construction of Civil, Building Track Works for double line railway..... (Vaitarna-JNPT Section – 102 Km)	Work	15.07.2016	07.03.2017	31.99%	34.41%
B.	<u>Special Steel Bridge package</u>					
1.	CTP-3A(R): Design & Construction of Special Steel Bridges across Mahi & Sabarmati Rivers..... (Ikalgarh-Vadodara Section)	Work	26.08.2014	20.11.2014	83.18%	85.41%
2.	CTP-15A: 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	45.14%	49.38%
3.	CTP-15B: Design & Construction of Special Steel Bridge across Narmada River with RUB (Sachin-Vadodara Section)	Work	03.06.2015	15.10.2015	62.51%	63.33%
4.	CTP-15C: 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	96.84%	98.56%
C.	<u>Integrated package</u>					
1.	CTP-14: Integrated Package of Civil, Building & Track Work, E&M and S&T Works (Dadri-Rewari Section – 127 Km)	Work	14.10.2016	01.02.2017	59.58%	60.39%



S. No.	Nature of Work	Work/ Consultancy	Date of Award	Date of Commencement	Financial Progress w.r.t. updated contract value	Physical Progress
D.	Electrical package					
1.	EMP-4: Design, Supply, Installation, Testing and Commissioning of 2x25kV Traction Power Supply System, Traction Sub-Station, Auxiliary Stations, Switching Stations, Auto Transformer Stations and SCADA system (Rewari-Makarpura Vadodara Section – 914 Km)	Work	18.11.2014	15.05.2015	78.17%	82.71%
2.	EMP-16: Design, Supply, Installation, Testing and Commissioning of 2x25kV Traction Power Supply System, Traction Sub-Station, Auxiliary Stations, Switching Stations, Auto Transformer Stations and SCADA system (Vadodara-JNPT Section – 419 Km)	Work	21.01.2016	02.05.2016	72.18%	73.07%
E.	S&T package					
1.	STP-5: Design & Construction of Signal & Telecom Works for double line railway (Rewari-Makarpura Vadodara Section – 914 Km)	Work	22.06.2015	11.01.2016	56.88%	57.72%
2.	STP-5A: 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	34.97%	39.27%
3.	STP-17: Design & Construction of Signal & Telecom Works for double line railway (Vadodara-JNPT Section – 419 Km)	Work	13.05.2016	29.08.2016	43.45%	44.58%

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Date of Commencement	Financial Progress w.r.t. updated contract value	Physical Progress
F.	Project Consultancy Contract					
1.	PMC-1: PMC Services for Construction of Double line Electrified Railway Track with S&T and related Infrastructure Phase-I, Rewari-Vadodara Section	Consultancy	21.02.2014	11.04.2014	69%	69%
2.	PMC-2(R): PMC Services for Construction of Double line Electrified Railway Track with S&T and related Infrastructure Phase-II (Dadri-Rewari & Vadodara -JNPT Section)	Consultancy	15.02.2016	31.03.2016	66.14%	69.11%

3.2 Operation & Business Development

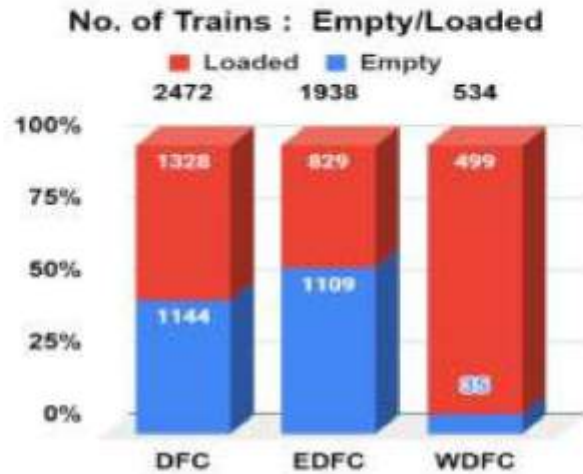
a) DFC took the first steps towards operationalization by opening up sections :

- **EDFC** : New Khurja – New Bhaupur on 29.12.2020 - 331 Kms
- **WDFC** : New Rewari – New Kishangarh on 07.01.2021 - 306 Kms

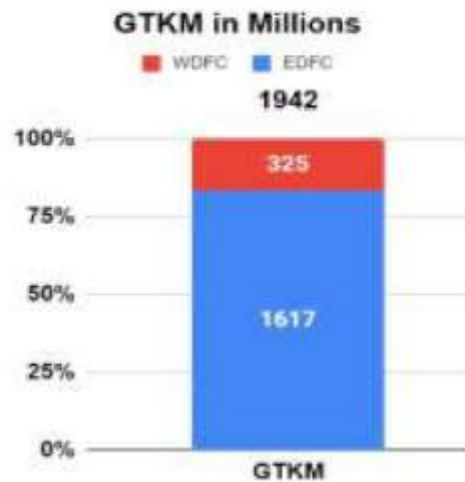


b) 92 days of Train Operation

- i. More than 2400 trains run: EDFC : 1938, WDFC : 534



- ii. Gross Tonne Kilometers GTKMs (Million): EDFC 1617, WDFC 325 Total 1942



iii. Average speeds on DFC 55.2 kmph

- Targeted to achieve 90% of maximum permissible speed of the train
- Best average speed (kmph) achieved : 95.40 EDFC & 82.42 on WDFC



Business Development & Initiatives

Freight Loading: Traffic generation centers to boost originating loading from DFC network

- **3 Cement sidings** : Bangurgram (Shree Cement), Keshavganj (Ultratech Cement), and Banas (J.K. Lakshmi Cement) presently with Indian Railway are going to be connected with WDFC soon.



- **2 PFTs (CONCOR)** Khatuwas and Swarupganj are also going to connect with WDFC.



- To tap the traffic potential of the NCR region and Gujarat/ports the new environment friendly Trucks on Train (ToT) services on New Rewari - New Palanpur - New Rewari circuit have been planned.



A Modal Shift : Carrying loaded and empty trucks on flat rail wagons , which will enable door to door service piggy back on fast and safe movement on tracks.

ToT operational cost advantages:

- Rewari to Palanpur : Road KM : 714, Rail KM: 641
- Diesel Price (Rs) : 78 per Ltr (keep on increasing)
- Truck mileage (Diesel) : 3.89 km/Ltr
- Toll : Rs 4970, Wear & tear, lubrication etc: Rs. 1070
- Total freight (Rs) : $714/3.89 \times 78 + 4970 + 1070 = 20357$

Base price kept as Rs. 20,000/-

Benefits:

Customers :	DFCCIL/Railway & Society :
<ul style="list-style-type: none"> reduction of fuel and driven kilometres less wear & tear of trucks saving of toll charges enhancement of turnover and productivity 10 hours vs >24 hours by road the truck can move despite driving bans on weekends, holidays and during the Day the high safety & security standards of trains Enhanced efficiency of Drivers: not have to deal with traffic jams, overtaking and other impediments on the roads. 	<ul style="list-style-type: none"> Modal Shift: Increase freight market share & additional revenue Proper utilization of assets and capacity Aggregation of piecemeal and less than train load cargo for rail transportation Seamless transportation, Door to Door Service Assured transit & delivery time Low Carbon Emission Less Congestion on Roads Less accidents and mishaps on Roads Lower unit cost of transportation

Two BRN rakes under modification at IR's facilities and Ramps under construction at New Rewari & New Palanpur to cater better services and unmet demand of the potential market.

- 17 proposals of Private Freight Terminal (PFT)/Siding received from private players for rail connectivity with DFC.

1	New Dadri	M/s CONCOR Ltd. (PFT)
2	New Dadri	M/s DMICDC (now NICDC) (PFT)
3	New Rewari	M/s Pristine Logistics (PLIPL) (PFT)
4	New Ateli	M/s CONCOR Ltd. (PFT)
5	New Dabla	M/s DMICDC (now NICDC) (PFT)
6	New Bangurgram	M/s Shree Cement Limited
7	New Keshavganj	M/s Ultratech Cement Limited
8	New Banas	M/s J K Lakshmi Cement Limited
9	New Swarupganj	M/s CONCOR Ltd. (PFT)
10	New Makarpura	M/s CONCOR Ltd. (PFT)
11	New Gholvad	M/s Navkar Corporation Ltd. (PFT)
12	New Sadhugarh	M/s AMZEN Transportation Ind. Pvt. Ltd.
13	New Sarai Banjara	M/s Larsen & Toubro Ltd. (NPL)
14	New Unchdih	M/s Meja Urja Nigam (P) Ltd. (NTPC TPP)
15	New Barhan	M/s UPRVUNL (Jawaharpur TPP)
16	New Jeonathpur	M/s Inland Waterway Authority of India (Port)
17	New Pt Deen Dayal Upadhyay	M/s Bharat Petroleum Corporation Ltd.

- Three successful bidders have been awarded 14 locations for development of Greenfield PFTs (freight terminals on private land with private investment) as under:

i. Adani Ports and SEZ Ltd : 08 locations

New Palghar, New Gholvad, New Sanjali, New Phulera, New Dadri, New Chawapail, New Bhimsen, New Gothangam.

ii. International Cargo Terminals & Infrastructures of India (Pvt) Ltd. : 05 location

New Bhagega, New Ateli, New Kanpur, New Muzaffarnagar, New Kishangarh

iii. SKN Haryana City Gas Distribution Pvt Ltd. : 01 location, New Dharuhera

- Four Stations (New Makkhanpur, New Daudkhan & New Khurja on EDFC, New Bhagega on WDFC) have been notified as Goods shed for handling freight traffic on DFC.
- A Multi Model Logistic Park is planned at New Kanpur.



- Regular meetings conducted to attract and explore new potential traffic with several Stakeholders/ Customers Chamber of commerce/Prospective investors/ States Logistics partners
 - o for development of PFTs/MMLP/ Freight Terminals/Sidings/Logistics Parks along the DFC corridor
 - o Explore the market to identify railable commodities going by road.
 - o Identifying & creating a strong network of Freight forwarders and aggregators
- 13 Consultancy firms have been empaneled to provide consultancy services to the stakeholders/ investors/ Customers for feasibility study and preparing DPR for logistics parks, terminals & sidings after Traffic potential survey/study, infrastructure availability, market study etc.

Commercial Activities:

- i. Alphabetical and Numerical Codes for 119 Stations have been notified. Case for remaining stations is under process and passing through various stages.
- ii. Alphabetical & Numerical Codes for two Greenfield PFTs served by (i) New Swaroopganj and (ii) New Makarpura have been notified.
- iii. DFC Stations on EDFC (New Khurja to New Bhaupur) and WDFC (New Rewari to New Kishangarh) have been introduced in Rates Branch System and Inter Station Distances for these sections along with their connectivity portion with NCR/NWR have also been fed in RBS. This information will be the basic data for various portals of Indian Railways.
- iv. Executive/Sr. Executives, OP&BD have been nominated to perform all commercial working regarding loading/ unloading/ handling of Goods traffic at DFC stations opened for goods traffic.
- v. DFCCIL has been mandated to allow special discount to freight customers under 'Station To Station' Rate.
- vi. Infringement charges will not be applicable on ODC consignment of Indian Railway, if this consignment is within Maximum Moving Dimensions of DFCCIL.
- vii. Discount on freight traffic moving on 'Traditional Empty Flow Direction' has been allowed on the same pattern of Indian Railway.

3.3 Progress/Status of Land Acquisition

1. **INTRODUCTION:** Land Acquisition & SEMU Department of DFCCIL is responsible for monitoring Social & Environmental issues and Land Acquisition matters over both Eastern and Western Corridors. Activities performed by LA&SEMUE includes coordination with the World Bank and Field Units, liaison with Statutory Bodies and Central/State Government Agencies to ensure implementation of compliances pertaining to Social and Environmental Safeguards, speedy disbursement of Land Awards, transfer of Government Land, removal of Land Hindrances, finalization of Land Arbitration Awards, publication of Gazette Notifications, etc. Examination of policy issues concerning Environment Management, Land Acquisition, RFCT-LARR Act, 2013, Entitlement Matrix, 2015, Public Grievances, CPGRAMS, legal notices, RTI, etc. are other important tasks taken up by LA&SEMUE.

2. PROGRESS OF LAND ACQUISITION



EDFC & WDFC		
Heads	Area (In Ha.)	Cumulative (In Ha.)
Land Acquired	325.41	11653.15
Mutation Done	53.98	9151.73
Resumption Completed	12.40	2178.85

3.4 DANKUNI-SONNAGAR PPP PROJECT

Sonnagar- Dankuni section of EDFC planned to develop on PPP mode in two phases i.e. Sonnagar-Gomoh section (263 Km) Ph-I and Gomoh -Dankuni (274 Km) Ph-II. PPP documents for Sonnagar-Gomoh section Ph-I on BOT model are under preparation and will be submitted to Railway Board by 30th June 21. It is targeted to issue RFP in Sept. 2021.

Viability of Gomoh- Dankuni section Ph-II shall be prepared and submitted to Railway Board based on approval of Documents of Sonnagar-Gomoh Section Ph-I as advised by Railway Board.

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 2020-2021;

- 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 Sh. 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.
- e) In terms of Railway Board's Order no.2019/E(O)II/40/17 dt. 08.12.2020 , the Competent Authority has approved the appointment of Sh. Ravindra Kumar Jain, IRSE, Ex-CAO/Con., Eastern Railway as Managing Director on the Board of the Company on absorption basis from the date of assumption of charge of the post till 31.07.2024 i.e. the date of his superannuation or until further orders, whichever is earlier. He assumed the Charge on 11.12.2020.

4.1.2 Directors cease to be hold office during the financial year 2020-2021.

- 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 Sachan, 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.

4.1.3 The following Director who have joined after the closure of financial year 2020-2021.

- a) In terms of Railway Board's Order no. 2021/PL/61/2Pt. dated 26.08.2021, The President of India appointed Shri Suneet Sharma, Chairman & CEO, Railway Board as part-time Chairman on the Board of Dedicated Freight Corridor Corporation of India Limited (DFCCIL) with immediate effect till he holds the post of Chairman & CEO, Railway Board or further order, whichever is earlier.

4.1.4 The following Director cease to be hold office during the financial year 2020-2021.

- a) In terms of Railway Board's Order No.2021/PL/61/2Pt. dated 26.08.2021, Shri V.K. Yadav, Part time Chairman, DFCCIL ceases to hold the office of Part Time Chairman, DFCCIL w.e.f. 01.01.2021.

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 Suneet Sharma	Part Time Chairman	26.08.2021
2.	Shri Ravindra Kumar Jain	Managing Director	11.12.2020
3.	Shri Hira Ballabh	Director (Finance)	05.05.2020
4.	Shri Naduri Srinivas	Director (Operations & Business Development)	15.06.2020
5.	Shri Hari Mohan Gupta	Director (Infrastructure)	13.10.2020
		Director (PP) (L/A)	01.01.2021
6.	Shri R. N. Singh	Part time Official Director (Government Nominee-MoR)	20.06.2019
7.	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 —

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- 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 Director 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 2020-2021 and in exercise of powers conferred by the shareholders, the Board of Directors has fixed their remuneration at a fee of Rs. 14,00,000/- (Fourteen Lakhs 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 30th July 2021 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 alongwith management's reply are placed at **Annexure-D**.

5.2 Comments of the Comptroller & Auditor General of India.

Comments of the Comptroller & Auditor General of India along with the Management's reply are placed at **Annexure-E**.

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, 2021	March 31, 2020
Ministry of Railways & its constituent		
Fund Received from MOR	11,200.29	9,003.64
Recoverable for PETS survey from MOR	-	-
Recoverable from MOR towards land facilitation expenses	11.59	9.81
Advance given for shifting of utilities, capital advance, ROB		
Works and construction of flats, road, Tower Wagon	523.01	151.73
Advance received for ROB/RUB	297.23	39.50
Advance received for Utility Shifting for Cost Sharing	0.25	-
Advance given for ROB/RUB	25.77	23.59
Track Access Charges from MoR	289.89	-
Rental Income from MoR	2.22	4.76
Ministry of Finance		
Guarantee Fee	79.18	54.26
Other entities		
BSNL - For shifting of utilities & capital works	-	0.87
PGCIL - For shifting of utilities, capital works	0.30	-
PGCIL - Income as Advance for Way Leave and Other	0.05	0.18
RailTel corporation Ltd - For shifting of utilities & capital works	0.04	0.75
NHAI - For shifting of utilities, capital works	-	77.00
NHAI - Income as Advance for Way Leave and Other	0.07	0.06
IOCL - For shifting of utilities & capital works	7.66	0.06
IOCL - Income as Advance for Way Leave and Other	-	0.16
BPCL - Income as Advance for Way Leave and Other	0.21	-
CRWC New Delhi - For shifting of utilities & capital works	0.87	-
GAIL - For shifting of utilities & capital works	0.28	9.20
RDSO/LKO - shifting of utilities & capital works	-	-
Rites Ltd - For shifting of utilities & capital works	1.56	1.29
Rites Ltd - Project Management Consultancy services	57.09	19.63
ONGC - For shifting of utilities & capital works	-	0.94
CONCOR - Application money	-	0.30
CONCOR - Advance for Deposit Work & Other	4.35	126.09
NHAI-Advance for Deposit Work & Other	23.30	-
Integral Coach Factory, Chennai for Capital Works	13.56	7.20
Total	12,538.78	9,531.02



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. 31.03.2021 and the date of the report.

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

A) Conservation of Energy:

Steps taken or impact on conservation of energy:

- i) DFCCIL Corporate office is among the few office buildings in Delhi/NCR to get 5-star rating with an energy performance index (EPI) of 85 kwh/sqm/annum & 91% air-conditioned area. Efforts are being made to maintain 5-star rating for the building.
- ii) DFCCIL has adopted Variable Refrigerant Flow based heating ventilation & air-conditioning system (VRF-HVAC) for the corporate office with centralized monitoring & control features. Old Outdoor units have been replaced with new.
- iii) Energy management system based on smart metering & cloud-based application is under procurement in DFCCIL. It is envisaged to deploy an Internet based energy monitoring and control solution at DFCCIL Corporate office. Similar systems deployed for pumping automation & street light control are running successfully in the Indian Railways & Municipal Corporations.

The system offers dual advantage of monitoring energy consumption pattern as well as saving of energy. DFCCIL has already achieved 5-star rating as well as other ratings (LEEDS, IGBC etc.) as required data's will be available for analysis in report form.

The solution shall comprise of energy monitoring at various loads points along with control capability. There shall also be a Central Energy Management Software (EMS) system for reporting, analysis and controlling the load points. The EMS shall also have web-based monitoring and control based on user requirements. EMS will also be used for lighting & pump monitoring in non-traction area.

- iv) LED type fittings are being provided in all facilities across the DFCCIL.

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

- i) Based on DFCCIL's vision, various installations in the DFCCIL network are planned to adopt Green Energy Concept so as to meet minimum 10% energy requirements through renewable sources. It is proposed to harness solar power to meet part of the energy requirement and install 645 kWp solar capacity by providing integrated modules at level crossing gates, signalling huts, crossing & junction stations, Operation Control Centre (OCC) Building, Corporate & Regional Offices, Maintenance Depots and Workshops, etc.

S.N.	Location	Capacity of solar Integrated module
1	Level Crossing Gates	0.2 kWp
2.	Signaling Huts	0.2 kWp
3.	Crossing Stations	2 kWp
4.	Junction Station	5 kWp
5.	IMD	5 kWp
6	Sub Depot	1 kWp
7	Operation Control Centre	50 kWp
8.	Staff Quarter	2 kWp
Total Planned Capacity		645.2 kWp

- ii) DFCCIL has provided grid connected Solar Power generating units in “Operations Control Centre” (OCC) Building in Prayagraj for EDFC to contribute for renewable energy.



- iii) Consultancy Services Contract for Engagement of General Consultant study for setting up of solar power plants along the ROW in EDFC & WDFC was 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 in EDFC & 500 in WDFC). Consultant has submitted detailed feasibility study report 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:

i) Technology Absorption in Electrical System:

a) DFCCIL has adopted new technological advancement in traction applications, such as:

- Modular OHE requiring least maintenance, ease of interchangeability & corrosion resistant design;
- Designed OHE system to haul trailing loads with 9000/12000 hp electric locomotives;
- Superior composition & profile of contact & catenary wire with improved regulation of tension;
- Scott connected traction transformer for 2x25 kV system;
- State of the art protection & sub-system monitoring;
- TCIP/IP based SCADA system;
- Smart grid (metering) as per IEC 62056 protocol with online data acquisition systems for traction load;
- Advanced numerical relays compatible with IEC 61850 sub-station protocol;
- Automatic fault locator working on AT neutral current sensing. The accuracy of the system is within 200m;
- Buried earth Conductor for effective earth envelop, bonds minimized;
- Mechanized maintenance practices, for improved quality of maintenance & safety of personnel.

b) Scott Transformer at TSS



(Scott Transformer & NIFPS System at Ringus TSS, Rajasthan)

The major features Scott/Open Delta (Y) connected Transformer for 2x25 kV Traction System is –

- Rating 60/84/100 MVA based on ONAN/ONAF/OFAF mode of cooling
- Manufactured both in Japan as well as in India by M/s. Toshiba Corporation and M/s. Meidensha Corporation respectively under the Transfer of Technology (ToT)
- Fibre optic-based temperature measurement of oil and windings
- Fitted with Nitrogen Injection Fire Prevention and extinguishing system

c) Adoption of 2x25 kV High Rise OHE system:

DFCCIL has adopted 2x25 kV AT feeding system for heavy haul traction requirements, having electrical distribution efficiency of 97.6% against 92.95% efficiency in 25 kV system.

The system offers following inherent advantages over conventional system:

- Operation of higher tonnage (6000/12000 Ton) freight trains at higher speeds.
- Reduced unbalance on the utility transmission network due to use of three phase transformer.
- Higher spacing between sub-stations (60-90km)
- Better voltage regulation even at heavier loads
- Reduced inductive interference due to minimized return current through rails/earth.
- Reduced unbalance in the utility network due to use of three phase EHV connection.

d) Mechanized Construction Approach :

The major ones include:

- Foundations through auger
- Mast erection by machine and grouting by concrete mixing plant mounted on rail/road vehicle.
- Conductor (contact and catenary wire) stringing by rail mounted twin conductor stringing machine.
- Modular Cantilever
- Dropper and clipping by rail/road mounted trolleys



(OHE Foundation Auguring by Colmar)



(Mast Erection by Mast Grabber)



(Simultaneous stringing of Contact and Catenary Wire by self propelled wiring train)

ii) Technology Absorption in Civil Construction Works:

1) Track Linking Work Using NTC:

Highly mechanized means are used for handling of rails & sleepers and track linking using Automated New Track Construction (NTC) machine to minimize damage to the track components in handling and track laying. NTC Machine gives high progress of track linking (up to 3 T-Km per day) with better track geometry as compared to manual lying.

Fully mechanized track linking using state of the art self-propelled crawler mounted NTC machine has been used for the first time in DFC project in India. The track laying by high performance NTC machine is done using continuous action assembly line method in which entire supply of sleepers and rails is by mechanized method. The material feeding rake of NTC machine consists of 21 BLC wagons in which 260 m long rails, PSC sleepers and track fittings are loaded. Two concrete sleeper lifting gantries move over guide rails supported on BLC wagons

and continuously supply sleepers from BLC wagons to the conveyor belt of NTC machine working in front. Since NTC machine handles 260 m long rail panels it thereby minimizes no. of in-situ weld.



Advantages of track linking by NTC machine as compared to conventional track linking:

Parameters	Manual Track Linking	Machanized Track Linking
Productivity per day	300-500m	1500-2000m
Labor Requirement	50-60	15-20
Land Requirement	Required for stacking of sleeper/	Not required
Quality/Finish	Rails Low	High

2) Innovative Construction Techniques – For Speedy Execution:

a) Fast Track Modular Construction of Pier Caps for Important Bridges:

Normally, all involved activities in a conventional method are executed in series only i.e. creation of huge ground supporting system, huge working platforms (with temporary structures), lifting & fixing of each and every rebar at the cast in situ site. However, the need of the hour is to complete the works efficiently in minimum time by keeping the quality and safety in the project at par, which has necessitated adoption of an innovative method such as the modular construction method.

The modular method of Pier Cap construction eliminated the complete ground supporting system (GSS), reduced a number of resources, eliminated critical safety challenges, kept quality of rebar cage at par and finally saved the time of 30 days in each pier cap construction. This method separates various activities into sub-activities that were executed in parallel sequence thus accelerating the comprehensive schedule of construction, which subsequently helped in saving of sufficient time in implementation of the whole project.



b) Innovative Construction Techniques for pre-casting and erection of full span pre-tensioned box girders:

Pre-casting of full span pre-tensioned Box girders reduced the overall casting duration from 18 months to 12 months. Motorized Shifting trolleys for Box-girder reduced the travel time during shifting and avoids installation of Heavy or high-capacity gantries, which is an innovative solution towards smooth handling of Box girders. For erection, single point feeding of girders & transportation above the already erected girders enhanced the process and operation time as the transportation of girders is free from local traffic movement and safer.

With full span Launching girder, the cycle time for any single span can be expected to be finished within 2.5 days in average. Hence, enhancing the overall erection time and the complete erection.

c) Fast Track Construction of open lined drain with geocell along with DFC formation:

Proper drainage arrangement along formation is necessity to ensure stable formation. The construction of stone lined drain used to be very slow due to availability of quarry/material, frequent change in mines and mineral policies and transportation. The stone lined drain is also not environment free, having frequent quality issue, require heavy repair and also not long lasting. To overcome these issues, now open lined Geocell drains are being constructed in which helped in speedily construction, long lasting, maintenance and environment free and cost saving.

d) Speedy Construction of Structures:

High capacity rotary pile drilling machine and slip form are being used for speedy construction of structures. High capacity rotary drilling machines that work on the principle of circumferential cutting (like hydraulic Rig BAUER BG-40 with special cutting tools with Roller Bits) have been used in pile drilling in hard rocky strata in place of conventional winch and barrel method. The drilling output of Hydraulic Rig BAUER BG 40 in hard strata is 2000 - 2500 mm in 22 hours as against 250 – 400 mm in conventional winch and barrel method.

Slip form for construction work - Slip form construction technique is an alternative for conventional formwork system which helps in continuous vertical and horizontal construction. The slip form helps in continuous concrete pouring in moving formwork. The process stops only when the required length of casting is completed.

Slip form enables continuous, non-interrupted, cast-in- place “flawless” (joint less) concrete structures that have superior performance characteristics to piece wise construction using discrete form elements. Such method has resulted in nearly 40% saving in the cycle time

iii) Technology absorption in Signal and Telecom Systems:

- 1) **Station Interlocking:** DFCCIL has adopted latest technology of Electronic Interlocking. Conventional methods were Electromechanical and relay-based Interlocking
- 2) **Automatic Signalling:** Electronic Interlocking based Automatic Signalling. Interlocking of Stations and Block sections will be provided using Electronic Interlocking in hot standby configuration.



- 3) **Track Vacancy detection System:** Using Multi section Digital Axle Counters. Block sections have supervisory architecture based on RDSO guidelines. Use of Multi Section Digital Axle Counters. Block sections have supervisory architecture based on RDSO guidelines. At Stations and Automatic Block sections MSDAC will be used for Track Vacancy Detection. In Absolute block sections, HASSDAC will be used for Track Vacancy Detection.
- 4) **Train Management system (TMS):** Real time display of status of signalling system and train movement of entire section at centralized location (OCC) on Video wall and Controllers terminals to enable train traffic monitoring and supervision. Train Management System (TMS), operative from the Operational Control Centre (OCC) located at Prayagraj will be provided for supervision, management and monitoring of train traffic on entire stretch of EDFC. The system shall be future proof for Centralized Traffic Control (CTC) operation
- 5) **Train Protection System:** TPWS (ETCS Level 1) provided only in WDFC. Interoperable with and similar to IR TPWS system.
- 6) **Operation Control Centre (OCC):**

The state-of-the-art OCC buildings has come up at Prayagraj (for EDFC) and is being developed at Ahmedabad (for WDFC) to monitor and control the rail system including train operation and power supply system using a 90-metre video wall, the largest in Asia. It is equipped with an integrated train management system, and supervisory, control and data acquisition system (SCADA).



(OCC buildings at Prayagraj)

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

Foreign Exchange Earning	- Nil
Foreign Exchange Outgo	- Rs. 1191.93 Crore out of which
Interest	- Rs. 156.57 Crore
Tour & Travelling Expenses	- Rs.0.20 Crore
L.C Charges on JICA Loan Charges	- Rs.0.62 Crore
Commitment fee for Loan	- Rs. 8.57 Crore
Consultancy & Work	- Rs.755.98 Crore
Repayment of IBRD Loan	- Rs. 269.99 Crore

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. During the financial year, the Risk Management framework has been identified to be strengthened through IT initiatives. Training on Risk Management for DFCCIL personnel has also been planned through ICWAI.

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 2020-21, more 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. In this regard, various types of activities, encouraging the official language were organized.

- Quarterly meetings of the Official Language Implementation Committee were organized online in each quarter in the DFCCIL Corporate Office. The quarterly progress reports related to the official language were ensured to be submitted to the Ministry of Railways, Ministry of Home Affairs, Government of India and Town Official Language Implementation Committee (Undertakings-2) as per the schedule.
- The participation of DFCCIL in the half yearly meetings conducted by the Town Official Language Implementation Committee (Undertakings-2) was ensured and attended online by the Managing Director.
- In order to promote the use and propagation of the official language, a “Hindi fortnight” was organized in DFCCIL Corporate Office from 01.09.2020 to 14.09.2020. During the “Hindi fortnight celebrations, various Hindi competitions were organized for staff of the DFCCIL and winners of first, second and third positions were awarded by the Managing Director. A Hindi Seminar was also organized on Hindi day and speeches & lectures were delivered on the importance of Hindi language.
- During the Financial Year, A Hindi workshop was organized to impart training in Hindi to the officers / employees working in different departments of Corporate Office and Projects offices, in which 26 employees / officers were trained.
- The task of bilingualisation of DFCCIL website (Hindi-English) is although a continuous process, still it has been improved and updated to be more visible and meaningful.
- Office orders of permanent nature, circulars, notices, notifications, advertisements, tender etc. were prepared and released in bilingual form to comply 100% of Section 3(3) of the Official Language Act.
- A few incentive schemes were formulated and introduced in the DFCCIL for increasing the use and propagation of Hindi language and advantage of the same is being taken by the employees & officials of the DFCCIL Corporate Office and Subordinate Offices.
- The purchase of Hindi books in the Hindi library of DFCCIL, Corporate Office was ensured as per the allocated budget and maximum employees / officials are being benefited.
- The Committee of Parliament on Official Language conducted inspections on implementation of Official Language policy in the Corporate Office, CGM office/Mumbai & Noida on 09.12.2020, 09.01.2021 & 09.04.2021 respectively. The Committee appreciated the Work being done by the DFCCIL.



Achievements:

- The Committee of Parliament on Official Language appreciated the DFCCIL for smooth & successful conduct of inspection for undertaking the role of co-ordination and effective implementation of O.L Policy in the corporate office.
- During the financial year, all the computers installed in the Corporate have been loaded with UNICODE to facilitate the users to increase the quantum of work in Hindi.

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. Dy. General Manager/Admin has been designated as the CPIO of DFCCIL in the Corporate Office. He coordinates with the APIOs in the 14 field unit offices and in the Corporate Office for obtaining information in desired format and within stipulated time period, so that the same 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 Financial year 2020-2021, a total of 917 RTI applications (including 68 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). The status of RTI replies are updated regularly on DFCCIL website. Similarly, Second Appeal cases hearing before Chief Information Commission (CIC) have been attended by the CPIO and Orders 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.

Dy. General Manager/Admin. has been designated for processing all Parliamentary matters referred from Ministry of Railways, in coordination with other Departments in DFCCIL dealing with all Parliamentary matters in coordination with other Departments in DFCCIL. During the year 2020-21, a total of 26 Parliament Questions, 01 Standing Committee matter and 02 other parliamentary references 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 2019-20 by the Department of Public Enterprises through Ministry of Railways.

F. Vigilance

- Vigilance is an integral function of the 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 powers and funds.

- Vigilance helps in analyzing the system to highlight the loopholes and inadequacies so that prompt corrective action is 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 also helps in promoting a culture of honesty and integrity, besides helping 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. Needles 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. At the same time, it is imperative that 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), 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 2020-21, CVC communicated the CTE's observations of Intensive Examination of EDFC & WDFC to the management for their compliance and further improvements. Replies to 47 CTE's paras were submitted to CVC and most of them have been considered for closure by the Commission. 07 system improvements based upon the result of preventive vigilance and CTE's paras conclusion were also suggested to the management for implementation.
- DFCCIL has well defined complaint handling policy which is available under the vigilance section on DFCCIL's official website, wherein the procedure for sending and handling of the complaints has been mentioned clearly. During the year total 34 complaints were received and 33 were disposed off.
- Audit Report for the year 2019-20 was also scrutinized by the vigilance.
- Scrutiny of 70 numbers of Immovable Property Returns was also carried out by DFCCIL vigilance this year.

Other vigilance activities

- Vigilance clearance of 989 officials were given during the year.
- DFCCIL/Vigilance was instrumental in organizing 12 training sessions on vigilance related matters in which 198 DFCCIL officials were undergone the training for developing their managerial skills.



Nomination of IEMs

Shri V Kannan, Ex-CMD/Vijaya Bank and Smt. Rashmi Verma, IAS (retd.) have been appointed as Independent External Monitor (IEMs) in DFCCIL on 15.04.21 for three years in compliance of CVC's directions for settling the dispute, if any, arising between the Management and Contractors relating to those contract where Integrity Pact is applicable, in case, both parties are agreeable.

Vigilance Awareness : Vigilance Awareness Week is celebrated every year as per the guidelines of CVC. Accordingly, Vigilance Awareness Week-2020 was observed in DFCCIL from 27th October to 2nd November, 2020, throughout the organization with the theme "सतर्कभारत समृद्धभारत— Satark Bharat, Samridh Bharat (Vigilant India, Prosperous India)". The Highlights of VAW-2020 are as under:

1. All the field units of DFCCIL participated in the VAW-2020. Various events as well as outreach activities were organized for officials of DFCCIL, Contractors and PMC, such as workshops, seminars and lectures, sensitization programs, conducting competitions (essay competition, quiz competition, debates etc.) in schools and colleges.
2. Posters and Banners were also displayed throughout the offices of DFCCIL. Badges on the theme of VAW, were also distributed amongst the employees of DFCCIL including the outsource staff.
3. Integrity Pledge was taken mostly via online mode by all the employees. Even the contractors, vendors and other concerned were also encouraged to take integrity Pledge.
4. CVO/DFCCIL, Dy.CVO and other nominated officials participated in the NATIONAL CONFERENCE ON VIGILANCE & ANTI-CORRUPTION, organized by CBI via virtual platform from 27th to 29th October, 2020.
5. Director/CVC gave a presentation to all the senior officials of DFCCIL on 02.11.2020 on Procurement and Preventive Vigilance Actions and Identification of Risk Areas and approaches to combat Corruption.
6. Sh. Ajit Mishra, Director/Institute of Economic Growth, Delhi gave a lecture on "Corruption, Trust and Governance" and discussed the recent trends regarding corruption on 2.11.2020. He also highlighted various Economic Researches regarding Corruption. The session was attended by senior most officials of DFCCIL including MD/DFCCIL, Directors, and CVO.
7. Social media platforms, such as Whatsapp, Facebook, Twitter were also used for awareness generation as well as updating the activities undertaken during the week.
8. Grievance redressal meetings/camps for officials as well as Contractors and Vendors were also organized in some of the field units. Moreover, dissemination of Anti-Corruption message and awareness programmes were organized
9. Gram Sabhas and Gram Panchayats in Ahmedabad and Meerut field units of DFCCIL.

15. 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) 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.
 - i. Certification of financial Statements by Chief Executive Officer and Chief Financial Officer. **Annexure "B-1"**.
 - ii. A declaration signed by the Managing Director affirming the compliance with the code of conduct by the Board Members and Senior Management Personnel during 2020-2021 is placed at **Annexure "B-2"**.
 - iii. Certificate of compliance of Corporate Governance obtained from practicing Company Secretary is placed at **Annexure "B-3."**
- b) A "Management Discussion and Analysis Report" is placed at **Annexure "C."**
- c) A Secretarial Audit Report from a Company Secretary in Practice placed at **Annexure "D"**, and Management Reply placed at **Annexure "D-1"**.

16. 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.

17. 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.

18. Acknowledgement

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: 09.11.2021
Place: New Delhi

Sd/-
Hira Ballabh
Director / Finance

Sd/-
R. K. Jain
Managing Director



ANNEXURE 'A'

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

1 Brief outline on CSR Policy of the Company.



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 held on 13.11.2014. Based on the recommendations of CSR committee in meeting held on 21.10.21, Board of Directors (BOD) gave approval that since the 2% of the average net profit of last three years has gone into negative, no allotment for CSR activities is feasible for the year 2020-21.

2 Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
I	Sh B. Ramana Kumar	Chairman/ Independent Director	One	One
II	Sh R.N.Singh	Member/ PED/Infra, Railway Board		
III	Sh Nanduri Srinivas	Member/ Director/OP & BD		

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company	dfccil.com/Home/Dynemicpages?MenuId=72
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	N.A. CSR obligation for the year had been Nil
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	NIL

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
NIL			

6	Average net profit of the company as per section 135(5).	Rs. $\frac{-81.76}{3}$ Crores = -27.25 Crores
7	(a) Two percent of average net profit of the company as per section 135(5)	NIL
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
	(c) Amount required to be set off for the financial year, if any	NIL
	(d) Total CSR obligation for the financial year (7a+7b- 7c).	NIL

8 (a) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)	
	Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).
NIL		



b. Details of CSR amount spent against ongoing projects for the financial year: : (2020-21)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
S. N.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.) (2019-20)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation- Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State District						Name CSR Registration number.
NIL										

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(11)
S. N.	Name of the Project.	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Amount spent for the project (in Rs.).	Mode of implementation -Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State District			Name CSR Registration number.
NIL							

(d) Amount spent in Administrative Overheads : NIL

(e) Amount spent on Impact Assessment, if applicable : NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : NIL

(g) Excess amount for set off, if any :- : NA

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

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

S. N.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.) (In Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1	2017-18	NIL	151.21	NIL	NIL	NA	15.3
2	2018-19	NIL	153.37				-5.34
3	2019-20	NIL	61.65				63.84
	TOTAL	NIL	366.22	NIL	NIL	NA	73.8

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. N.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
NIL								

10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).	NIL
	(a) Date of creation or acquisition of the capital asset(s).	NIL
	(b) Amount of CSR spent for creation or acquisition of capital asset.	NIL
	(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NIL
	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	NIL
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	NIL

Sd/- (Chief Executive Officer or Managing Director or Director).	Sd/- (Chairman CSR Committee). Sh. B Ramana Kumar	NA [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (Wherever applicable).
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ANNEXURE 'B'

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 four whole-time Directors, one Part Time Chairman, one part-time official Director (Nominee) from Ministry of Railways and one Independent Director.

2.2.1 Directors who have joined the Board/extended tenure during the financial year 2020-2021;

- 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 Sh. 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.
- e) In terms of Railway Board's Order no.2019/E(O)II/40/17 dt. 08.12.2020 , the Competent Authority has approved the appointment of Sh. Ravindra Kumar Jain, IRSE, Ex-CAO/Con., Eastern Railway as Managing Director on the Board of the Company on absorption basis from the date of assumption of charge of the post till 31.07.2024 i.e. the date of his superannuation or until further orders, whichever is earlier. He assumed the charge on 11.12.2020.

2.2.2 Directors cease to hold office during the financial year 2020-2021.

- 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 Sachan, 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.



2.2.3 The following Director who have joined after the closure of financial year 2020-2021.

- a) In terms of Railway Board's Order no. 2021/PL/61/2Pt. dated 26.08.2021, The President of India appointed Shri Suneet Sharma, Chairman & CEO, Railway Board as part-time Chairman on the Board of Dedicated Freight Corridor Corporation of India Limited (DFCCIL) with immediate effect till he holds the post of Chairman & CEO, Railway Board or further order, whichever is earlier.

2.2.4 The following Director cease to be hold office during the financial year 2020-2021.

- a) In terms of Railway Board's Order No.2021/PL/61/2Pt. dated 26.08.2021, Shri V. K. Yadav, Part time Chairman, DFCCIL cease to hold the office of Part Time Chairman, DFCCIL w.e.f 01.01.2021.

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 2020-2021 and the last Annual General Meeting is tabled below:

S. N.	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 2020-2021 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
(I) Chairman (Part-time official)							
1.	Chairman & CEO/ Railway Board & Chairman/ DFCCIL	Sh. Vinod Kumar Yadav (DIN-08346269) (Held office from 29.01.2019 to 31.12.2020)	1	0	4	2	Yes
(II) Whole-time Director							
1	Managing Director	Sh. Ravindra Kumar Jain (DIN: 08641707) w.e.f 11.12.2020	1	0	1	1	Yes
1A	Additional Charge of Managing Director	Sh. R.N. Singh (DIN- 08488013) (Held office w.e.f. 06.08.2020 to 10.12.2020)	2	0	3	3	NA
1B	Managing Director	Sh. Anurag Kumar Sachan (DIN-08197908) (Held office from 04.08.2018 to 31.07.2020).	1	Corporate Social Responsibility Committee (convener) (Member of CSR Committee from 20.06.2020-25.08.2020)	1	1	NA

S. N.	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 2020-2021 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
2	Director (Project Planning)	Sh. Anshuman Sharma (DIN- 03500815) (Held office from 05.04.2011 and extended up to 31.12.2020)	1	Audit Committee (Member) (20.06.2020 to 15.01.2021)	4	4	Yes
3	Director (Finance)	Sh. Hira Ballabh (DIN-08738632) (Held office from 05.05.2020)	1	Audit Committee (Member) (w.e.f 20.06.2020)	5	4	Yes
3A	Additional Charge of Director (Finance)	Sh. Naresh Salecha (DIN-00843812) (Held office from 01.03.2017 to 05.05.2020)	1	Audit Committee (Member) (Member of Audit Committee from 14.08.2019-20.06.2020)	0	0	NA
4	Director (Operations & Business Development)	Sh. Nanduri Srinivas (DIN-08763509) (Held office from 15.06.2020)	1	a) Nomination & Remuneration Committee (Member) (Member from 24.02.2021) b) CSR Committee (Member) (Member from 26.08.2020)	5	4	Yes
4A	Additional Charge of Director (Operations & Business Development)	Sh. Vivek Srivastava (DIN- 08378257) (Held office from 28.02.2018 to 14.06.2020)	1	Nomination & Remuneration Committee (Member) (Member from 20.06.2020 to 24.02.2021)	0	0	NA
5	Director/ Infrastructure	Sh. H. M. Gupta (DIN- 08453476) (Held Office from 13.10.2020)	1	a) Audit Committee (Member) (Member of Audit Committee from 15.01.2021)	3	3	Yes



S. N.	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 2020-2021 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
				b) Nomination & Remuneration Committee (Member) (Member of Nomination & Remuneration Committee from 24.02.2021)			
5A	Looking After (Director/ Infrastructure)	Sh. R. N. Singh (DIN- 08488013) (Held office from 06.08.2020 to 12.10.2020)	2	NA	1	1	NA
5B	Looking After (Director/ Infrastructure)	Sh. Anurag Kumar Sachan (DIN-08197908) (Held office from 18.09.2019 to 31.07.2020).	1	NA	1	1	NA
(III) Director (Part-time official)							
1A	PED (Infrastructure) / Railway Board	Sh. R. N. Singh (DIN- 08488013) (Held office from 20.06.2019)	2	a) Nomination & Remuneration Committee (Member) (Member from 14.08.2019) b) Corporate Social Responsibility Committee (Member) (Member from 26.08.2020)	5	4	No
3	Special Secretary NITI Aayog	Sh. R. P. Gupta (DIN-03388822) (Held office from 11.03.2020 to 31.05.2020)	1	Nomination & Remuneration Committee (Member) (Member from 20.06.2020 to 24.02.2021)	0	0	NA

S. N.	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 2020-2021 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
(IV) Independent Directors (Part Time non official)							
1	Part Time Non-Official	Sh. B. Ramana Kumar (DIN- 08523013) (Held office from 29.07.2019)	1	a) Audit Committee Meeting (Chairman) (from 14.08.2019) b) Nomination & Remuneration Committee (Member) (from 20.06.2020) c) Corporate Social Responsibility Committee (Member) (from 26.08.2020)	5	5	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 2020-21

During the financial year 2020-2021, the Board of Directors met five 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 2020	20th June, 2020
2	For the quarter ended September 2020	26th August, 2020
3	For the quarter ended December 2020	13th October, 2020 & 06th November, 2020
4	For the quarter ended March 2021	24th February, 2021

Brief Resume of Directors appointed till the date of the Report:

- Shri Hira Ballabh, as Director/Finance w.e.f 05.05.2020.**

Shri Hira Ballabh, an IRAS officer, assumed the charge of Director Finance, DFCCIL on 05.05.2020. Prior to this, he was FA&CAO with Northern Railway. After graduation from DSB college Nainital and Masters and MPhil from JNU New Delhi, he also did his MBA(Finance) from SMU. He has rich exposure of working in Finance and Administration in multiple organisations. He was in charge of Finance in three Railway divisions i.e, Mumbai VT, Bhusawal and Bhopal. He also worked with Metropolitan Transport Project, Mumbai. As Director (Finance) of New Delhi Municipal Council(NDMC) he was associated with key urban renewal and infrastructure projects executed through various modes of Financing. Mr. Hira Ballabh had a unique opportunity to chair the Accounting Reform Committee of NDMC. Further, he also worked with Freight Operations Information System (FOIS), Computerisation and taxation in Railways. He also had stint in Production Unit, Procurement wing and Traffic Earnings. He has vast exposure of Sports administration and Financing. While working as Secretary and ED of the Sports Authority of India (SAI) he is credited with improving the Financial position of the organisation. Mr. Hira Ballabh has attended various events, seminars and trainings in India and abroad. He participated in negotiations abroad and represented India. Mr.Hira Ballabh has received the National Award for Outstanding Services for implementing ISO 9000 in a Railway Division. He got GM's medal and also four Efficiency Shields while working in various units. He has compiled a 'Handbook on Internal Checks', one 'Manual on Finance and Accounts' and a booklet on 'Standard Form of Templates', in addition to a number of papers on various subjects.

- Shri Nanduri Srinivas, Director/OP&BD, w.e.f. 15.06.2020**

Shri Nanduri Srinivas an officer of 1989 batch of Indian Railway Traffic Service has joined in DFCCIL as Director/OP&BD on 15/6/2020. After completing his Master Degree in Agriculture Economics from Indian Agricultural Research Institute, New Delhi, initially he has joined Reserve Bank of India as a Group B officer. In the year 1991, he has joined the Indian Railways. He has worked in important key posts of Indian Railways viz., Chief Passenger Transportation Manager and Chief Traffic Planning Manager, S.W. Rly., Hubli. Apart from these posts held, he has also worked as Executive Director/Fuel Transportation, NTPC, Executive Director/Coal Movement, Singareni Collieries Co. Limited and General Manager, IRCTC, Hyderabad. He has got interest in outdoor sports and reading books.

- **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 of machine responsible for laying/overhauling of huge 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.

- **Shri Ravindra Kumar Jain as Managing Director w.e.f 11.12.2020:**

Shri Ravindra Kumar Jain, IRSE, has assumed the charge of Managing Director of Dedicated Freight Corridor Corporation of India Limited on 11.12.2020. He is an officer of 'Indian Railway Service of Engineers' (IRSE) of 1986 batch. He completed his B.Tech. in Civil Engineering from MNIT, Jaipur and M.Tech. in 'Environmental Engineering' from University of Roorkee (now IIT, Roorkee). Before joining DFCCIL, he was posted as Chief Administrative Officer/Construction for Eastern Railway, Kolkata. Prior to that he worked as Executive Director, Civil Engineering/Plg, and Railway Board. From 2017 to 2019, he was 'Divisional Railway manager, Samastipur (ECR). His tenure is remembered for Mithila painting at entire Madhubani station and then on the rake of Bihar Sampark Kranti. For this, his team was honored by Hon'ble Minister Railway and later also by Chairman, Railway Board. He was also been adjudged as Outstanding DRM in 2018 for manning large nos. of unmanned LCs in a very short time bound schedule. He also worked as Chairman, Railway Recruitment Board, Ajmer for about two years, where he was part of team for first time online exams (CBT) by RRBs. He worked as Chief Project Manager, Ajmer for Dedicated Freight Corridor Project and his Unit was adjudged as Outstanding Field Unit in 2011. He has worked in various construction projects for Gauge conversion and doubling as Deputy Chief Engineer at Jaipur, Ahmedabad and Mumbai. He also worked as ADRM at Rangiya division, NFR. He has been awarded at various occasions with 'General Manager's medal' and 'Letter of Appreciation' for meritorious works on various occasions. He visited Tokyo, Kyoto & Osaka (Japan) as team leader for studying track maintenance practices in Japanese Railways as part of 'Track maintenance group' of IR in 2019. He has attended 'Executive Leadership Programme at Bocconi Business School, Milan, Italy in May 2018. He also attended training programme on 'International contracts' at Tokyo organized by JICA in 2010. He was also part of IR delegation for study of station designs at Toronto and London in 2006.



• **Shri Suneet Sharma as Part Time Chairman w.e.f 26.08.2021:**

Shri Suneet Sharma, IRSME (1981 batch) is working as Chairman & Chief Executive Officer, Railway Board. Prior to this, he was worked as General Manager, Eastern Railway, Kolkata and General Manager, Modern Coach Factory, Raebareli.

He has immense experience in the fields of general management, locomotives, coaching, freight and workshop operations. He has attended various training programmes including Advance Management Course for General Managers at Carnegie Mellon University, Pittsburgh, USA; Railway Workshop Maintenance Practices and Costing System in Germany and France; programme on leadership and Motivation, NAIIR, Vadodara and provided assistance in Loco Production to Iran.

Shri Suneet Sharma Started his career on Indian Railways as Asstt. Mechanical Engineer (D), Diesel Locomotive Shed, New Katni Junction in June, 1985. During the course of his illustrious career, he has held several important managerial and executive positions on Indian Railways. He worked as Principal Chief Mechanical Engineer, Diesel Locomotive Works, Varanasi; Divisional Railway Manager, Pune, Central Railway; Addl. DRM, CSTM, Mumbai; Chief Rolling Stock Engineer, Western Railway and Central Railway; Chief Workshop Manager, Parel, Central Railway; Chief Mechanical Engineer (Plg), Central Railway, etc.

As General Manager, MCF Raebareli, he led the team of MCF in doubling the production of LHB coaches in 2018-19. As principal Chief Mechanical Engineer, DLW, Varanasi, he pioneered in-house conversion of diesel locomotives into electric locomotives.

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.	Sh. B. Ramana Kumar	Independent Director	14.08.2019
2.	Sh. Hira Ballabh	Director/Finance	20.06.2020 (vide item no. 72.1.1(5)(1))
3.	Sh. Hari Mohan Gupta	Director/Infrastructure & Add. Charge Director/PP	15.01.2021 (vide item no. 76.1.2(2))

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 5 times on the following dates: 22.07.2020, 13.08.2020, 25.08.2020, 05.11.2020 & 02.03.2021. The attendance of the members of the Committee during 2020-2021 is produced below:

Member	Position	Meetings held**	Meetings attended ***
Sh. B. Ramana Kumar, Independent Director	Chairman	5	5
Sh.Hira Ballabh, Dir/Finance	Member	5	4
Sh. Hari Mohan Gupta, Director Infrastructure & Add. Charge Director/PP	Member	1	0
Sh. Anshuman Sharma, Director/PP	Member (20.06.2020 to 15.01.2021)	4	3

** "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. N.	Member	Designation	Date of holding the membership of the Committee
1	Sh. R. N. Singh	Nominee Director (MoR)	05.07.2019
2	Sh. B. Ramana Kumar	Independent Director	20.06.2020
3	Sh. 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-
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - 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 3 times on the following dates:

31.07.2020, 06.10.2020 & 12.02.2021. The attendance of the members of the Committee during 2020-21 is produced below;



Name of the Committee Members	Position
17th Meeting of Nomination & Remuneration Committee held on 31.07.2020.	
1. Sh. R.N. Singh, PED(Infrastructure)/ Rly.Bd	Chairman
2. Sh. B. Ramana Kumar, Independent Director	Member
3. Sh.Nanduri Srinivas, Director/OP&BD	Member
18th Meeting of Nomination & Remuneration Committee held on 06.10.2020.	
1. Sh. R.N. Singh, PED(Infrastructure)/ Rly.Bd.	Chairman
2. Sh. B. Ramana Kumar, Independent Director	Member
3. Sh. Nanduri Srinivas, Director/OP&BD	Member
19th Meeting of Nomination & Remuneration Committee held on 12.02.2021.	
1. Sh. R.N. Singh, PED(Infrastructure)/ Rly.Bd.	Chairman
2. Sh. B. Ramana Kumar, Independent Director	Member
3. Sh. Nanduri Srinivas, Director/OP&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 2020-2021 is detailed below;

S. No.	Name of Director	Salary & Allowances	Other Benefits Perks 17(2)	Performance linked incentives	Total (In Rs.)
1	Sh. Anurag Kumar Sachan, (Ex-Managing Director)	26,20,340/-	NIL	NIL	26,20,340/-
2	Sh. Ravindra Kumar Jain (Managing Director)	10,60,986/-	1,53,346/-	NIL	12,14,332/-
3	Sh. Anshuman Sharma (Ex-Director/PP)	72,74,568/-	70,720/-	NIL	73,45,288/-
4	Sh. Hira Ballabh Director (Finance)	33,61,383/-	NIL	NIL	33,61,383 /-
5	Sh. Nanduri Srinivas Director (OP&BD)	30,09,784/-	2,23,671/-	NIL	32,33,455/-
6	Sh. H. M. Gupta Director (Infra)	17,67,607/-	NIL	NIL	17,67,607/-
7	Ms Meenu Kapoor Company Secretary	21,98,880/-	2,57,177/-	NIL	24,56,057/-
	Total	2,12,93,548/-	7,04,914/-	NIL	2,19,98,462/-

Detail of sitting fee paid to the Part-time non official Directors for the financial year 2020-21:

Detail of sitting fees paid to the Independent directors during the year 2020-21 are as follows:-

S. No.	Member	Sitting Fees	Total No. Meetings attended including sub committees' meetings during their tenure
1	Sh. B. Ramana Kumar, Independent Director	2,80,000/-	14

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

4. 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. N.	Member	Designation	Date of holding the membership of the Committee
1	Sh. R. N. Singh	Nominee Director (MoR)	26.08.2020
2	Sh. B. Ramana Kumar	Independent Director	26.08.2020
3	Sh. 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 2020-2021, the Committee met one time on 21.10.2020.

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
12th	2017-18	Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001	26.09.2018	12.00 Hrs
13th	2018-19	Vichar Conference Hall, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi- 110001.	26.09.2019	12.30 Hrs
14th	2019-2020	Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001	17.12.2020	15:00 Hrs

Detail of special resolutions passed in the last three AGMs.

AGM	Year	Subject Matter of the Special Resolution	Date	Time
12th	2017-2018	Nil	26.09.2018	12.00 Hrs
13th	2018-2019	Nil	26.09.2019	12.30 Hrs
14th	2019-2020	Nil	17.12.2020	15:00Hrs

7. Disclosures

- A. There has not been a reported materially significant related party transaction except the disclosed vide note 32 to the financial statements.
- B. All the items of expenditure debited in the books of accounts of DFCCIL are for the purpose of project execution entrusted to DFCCIL.
- C. There are no personal expenses incurred for the Board of Directors.
- D. The Net administrative expenses as a percentage of total expenses have increased from 3.05 % in 2019-20 to 3.28% in 2020-21.

8. Corporate Communication

- i. **DFCCIL's vibrant presence on a multitude of social media channels:** DFCCIL has a dynamic social media engagement on Twitter, Facebook, YouTube and Koo (started in February 2021).

It is widely followed by an array of stakeholders and Public at large. Major milestones, accomplishments, inaugurations, project highlights, events and participation in exhibitions etc are showcased on the Social Media channels

The status of DFCCIL Social media is as below:

Facebook Page (verified)	Twitter Handle (verified)	YouTube Channel (verified)
		
No of followers: 16900+ 190% increase of net followers over previous year	No of followers: 18700+ 66% increase of followers over previous year	Total Views: 525K 5700+ subscribers added over the previous year

- ii. **Press Release:** Over 19 Press Releases were issued to the national media.
- iii. **One-on-One interaction with the Media:** Direct interaction of Managing Director of DFCCIL with Press Correspondents of leading news organizations
- iv. **Coverage in Electronic Media:** Special programs/interviews were telecasted on DD, ANI, News 24, India News, Zee TV, India TV, Hindi Khabar and Times Networks, ET Now Channel etc.
- v. **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.
- vi. **Printing of Publicity Material:** Bilingual leaflets on features of the project have been updated.



vii. Participation in Exhibitions: 6th Smart Cities Expo, March 24-26, 2021

viii. Press Tour: Four Press tours with National Media were undertaken following Covid-19 Protocol to showcase DFC commissioning and milestones.

ix. 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.

x. Documentary on DFCCIL National Geographic Channel: A documentary on DFCCIL titled "Extreme Tech: The Freight Corridor" was created by National Geographic channel showcasing the landmark design and futuristic construction in DFCCIL.

xi. 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. A declaration signed by the Managing Director affirming the compliance with the code of conduct by the Board Members and Senior Management Personnel during 2020-2021 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 victimization 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.



ANNEXURE 'B-1'

MANAGING DIRECTOR AND DIRECTOR FINANCE/CFO CERTIFICATION

We have reviewed the Financial Statements including the Balance sheet, Statement of Profit & Loss, Cash Flow Statement, Statement of changes in equity and related explanatory notes for the financial year 2020-21 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.

Date : 15.09.2021

Sd/-
Hira Ballabh
Director Finance

Sd/-
R.K. Jain
Managing Director

ANNEXURE 'B-2'

Declaration by Managing Director regarding compliance with the Code of Business and Ethics Conduct by Board members and Senior Management during F.Y. 2020-21.

I, Ravindra Kumar Jain, 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 2020-21.

Place: New Delhi
Date: 20.07.2021

Sd/-
(Ravindra Kumar Jain)
Managing Director
DFCCIL



ANNEXURE 'B-3'



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, 2021 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 2021, the company has complied with various provisions of the Guidelines in its Corporate Governance Report except:
 - a) **Clause No. 3.1 relating to Composition of Board of Directors-Independent Directors.**
 - b) **Clause 4.1.1 The Audit Committee shall have minimum three Directors as members. Two-thirds of the members of audit committee shall be Independent Directors.**
5. We certify that in respect of the aforesaid financial year 31st March 2021, the company has complied with various provisions of the Guidelines in its Corporate Governance.

Place: New Delhi
Date: 13/08/2021

Sd/-

Signature:
Balika Sharma & Associates
Company Secretaries
FCS No.: 4816
C P No.: 3222
UDIN: F004816C000778292

GST No. : 07AMAPS9564KIZE

Membership No. : 4816, C.P. No. 3222



ANNEXURE-C

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 growth of 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, State and national 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 India'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 Vision and the Mission of the Company:

VISION

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

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, 2021, the cumulative expenditure on Project Execution (other than land) is Rs.57,396.45 Crore out of which tangible assets are Rs.13,666.51 Crore, Capital-Work-in progress is Rs.38,015.20 Crore, Right-of-use assets are Rs 49.50 crore, Intangible assets are Rs 0.08 crore, Intangible assets under Development are Rs.21.47 Crore and Capital advances are Rs. 5,486.16 Crore. The gross expenditure during the year 2020-21 on project execution has been Rs.12,753.64 Crore which includes tangible assets of Rs.13,641.21 Crore, Right-of-use assets of Rs -25.92 crore, Other intangible assets of Rs. -0.02 Crore,



intangible assets under development Rs.3.76 Crore, Capital Advances Rs.-1,081.50 Crore and Capital Work in Progress as Rs. 58.58 Crore. Depreciation of 157.53 crore charged on capitalized assets has been added back for the purpose of computation of capex.

STRENGTH

DFCCIL is going to be a game changer in the freight transport logistics of the country as it will bring about a paradigm shift in the movement of freight traffic. The greatest strengths of DFC are as follows:

- a) Upgraded Design features: All earthwork & bridges in DFC have been designed for 32.5T axle load trains which will enable running of high axle load trains at higher speeds increasing throughput. Presently DFC is running 25 T axle load trains which can be easily upgraded to 32.5 T axle load.
- b) Upgraded dimensions of DFC w.r.t. Indian Railways: There is 66% more height, 14% more width, double train length and more than double train load capacity than that of Indian Railway. Double stack container moving capacity on WDFC.
- c) Special focus on Social & Environmental Issues: DFCCIL has full-fledged Social and Environmental Management Unit (SEMU) for monitoring the implementation of Social and Environmental Safeguards at DFCCIL worksites. 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. 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.
- d) Expeditious Land Acquisition: DFC land acquisition has been one of its biggest success story as DFC has acquired more than 10,000 Ha of Land and disbursed compensation in the most transparent manner.
- e) DFC will provide Assured and Time table based delivery of Goods, improved supply chain management thereby drastically reducing logistics costs.
- f) Development of Greenfield/Brownfield sidings/MMLPs for attracting traffic hitherto being carried by road leading to modal shift in freight transportation from Road to the more environment friendly mode of rail.
- g) One of the biggest strength of DFC is its talented and highly qualified pool of Employees which has a balanced mix of officials from Railway and from other PSUs.
- h) Continuous availability of sufficient funds due to complete tie up of loans from World Bank and JICA and support from MoR to ensure timely payments to all executing agencies, which has been specially helpful in ensuring adequate progress of works even during COVID period.
- i) Strong support from Hon'ble Prime Minister's Office, Ministry of Railway & NITI Aayog helping in resolution of lots of pending issues with various State Governments and others.
- j) MMLP at New Kanpur is planned to be developed and land acquisition is under process.
- k) Freight terminals/Goods sheds on DFC land through BOT system (through Private investment) are planned to develop through open tender process.



- l) Operation of Truck on Train (TOT) between New Palanpur to New Rewari stations is under process. Contract for movement of TOT has been awarded to M/s SSK Devcon Pvt. Ltd for a year from the day of first rake movement.

WEAKNESS

- a) Delays in acquisition of land in very limited pockets is hampering the progress of works.
- b) Delay in timely completion of the project by the executing agencies leading to time overruns.
- c) Upgradation of Feeder route to be done by Indian Railways to be commensurate with commissioning of DFC
- d) Massive work and planning to be done for strengthening business of DFCCIL with limited resources.

OPPORTUNITY

- a) Huge scope for attracting new traffic and new customers over DFC due to its world class features.
 - a. Roll On- Roll Off traffic.
 - b. Container movement.
 - c. Branding on Trains/Stations.
 - d. DMICDC and AKIDC developing its terminal along dedicated freight corridor.
 - e. Development of MMLPs and Freight terminals at various locations over DFC.
 - f. Key role in supply chain management with special partnership with CRWC and CONCOR.
- b) Development of New Dedicated Freight corridors – North-South, East-West, East Coast
- c) DFC to provide Consultancy on construction of High Axle Load Infrastructure to developing Countries.
- d) DFC to develop Research facility for Heavy Haul operations and partner with other Heavy haul operating countries.
- e) Integrated development with Highways, Waterways, Ports and Multimodal Parks.
- f) Generating new sources of Income through development of Property/Land acquired by DFC.
- g) Scope for Partnership with various public and private sector companies.
- h) Major opportunity in transportation of goods from Western ports like JNPT, Hazira, Pipavav, Kandla, Mundra etc.
- i) Rise in transportation with Inland water ways. DFC is already providing connectivity to IWAI terminal/Varanasi.
- j) Huge scope to capture Mumbai and Ahmedabad born white goods traffic.
- k) Handling facilities at Palanpur and Prithala.
- l) Scope to run Road railer over DFC for rail road intermodal service. MOU with Kirloskar group is under deliberation.
- m) Support from IR/MOR on regular basis for development of various aspects of Business development.



Threats

- a) Cost escalation and Time overrun due to delay in commissioning of the project
- b) Effect of Covid pandemic on DFC timelines.
- c) Development of highways along the Golden Quadrilateral and projects such as Sagarmala independent of DFC.
- d) High number of Arbitration cases in DFC leading to cost overrun.
- e) To develop best maintenance practices matching international benchmarks in order to have a lean and thin organization.
- f) During single operator regime, DFC mainly becomes a transporter of IR rakes with same rolling stock.
- g) Limited advantage of increased moving dimensions over DFC with existing rolling stock from IR.
- h) Need for expeditious Strengthening of feeder routes to tap business opportunities.
- i) Lack of tariff mechanism under the control of DFCCIL as long as IR is the single operator.
- j) Lack of clarity on multi operator regime and calculation of TAC.
- k) Cost of land is to be included in the TAC in the Multi operator regime which may make DFC tariff costlier and less competitive.
- l) No return on equity during single operator regime.

STRATEGIES

- a) Consultation for Track Access Charges computation for DFCCIL is at the advance stage of finalization.
 - b) In-principle approval for connecting 18 Private sidings/PFTs/Ports has been accorded. 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 Model Logistic Hub project Ltd. (DMMLH) and Inland Water ways Authority of India (IWAI).
 - d) Positive expectations from logistics and transportation industry on DFC to improve business.
 - e) More powers have been delegated to the field units as they are at the forefront of the project execution. This has enabled them take expeditious decisions to improve the progress of works.
 - f) Various relief measures have been provided in contracts with the consent of MoR & funding agencies to enhance their cashflow due to Covid-19 pandemic. This has helped in removing the financial bottlenecks towards unhindered work progress.
1. Release of Retention Money/Security deposit against Bank Guarantee as well as reduction in rate of recovery in lines with MOF/MOR guidelines;
 2. Reduction in Performance Security in lines with MOF/MOR guidelines;
 3. Granting Ad-hoc EOT on account of Covid-19 Pandemic;



4. Deferment in recovery of mobilization advance due to Covid-19 pandemic;
5. Relaxation in Inspection of Materials/supplies;
6. Modification in Cost Centre in D&B Contracts for Civil works;
7. Release of payment against clause 14.6 for the items for which milestone could not be achieved due to Covid-19 pandemic;
8. Prompt release of 80% payment of IPC on submission of IPS;
9. Prompt approval/determination of pending variation and release of part payment pending approval of variation for work done;
10. Provision of additional interest bearing special mobilization advance against submission of BG upto 5% of balance Contract Value as per the existing contract conditions.

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 quality as well as safety in the implementation of the project. In this regard, steps are being 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 2843 Km of DFC planned route km, 23% of track i.e. 657 km operationalized. In WDFC from Palanpur to Rewari (659) km will be functional and this will boost the NCR portability to Gujarat port and faster connectivity to Northern and Eastern India. In EDFC 351 route KM connectivity from New Bhaupur to New Khurja will help NCR in easing congestion of the section and will also help in increasing the punctuality performance of this section of NCR.

Similarly in ECR, the train coming from CCL coal field area have to wait at Sone-Nagar for getting path which will now 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 to be 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 the one hand with the real and potential risks on the other hand.

The Company Risk Management Policy establishes a documented Risk Management Framework and assigns responsibilities to its employees to take corrective and preventive measures. The Risk Management Framework is being reviewed and upgraded periodically. Company strives to increase awareness among its employees to implement the Risk Management Policy. During the financial year, Risk Management framework has been identified to be strengthened through IT initiatives. Training on Risk Management for DFCCIL personnel has also been planned through ICWAI.

CONCERNS

1. "In the Balance Sheet as on 31.03.2021, the amount shown under PPE and Capital Work in Progress(CWIP) represents the CWIP capitalized during the year and expenditure incurred by the Company on construction of Eastern and Western Dedicated Rail Freight Corridors, respectively. 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 (TAC) for use of this facility.
2. "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. Opinion of EAC was received vide its letter number TD/EAC/1694/19 dated 04.02.2020. The Company requested EAC to review its opinion and submitted additional facts. However, EAC has informed that the opinion issued earlier is appropriate and does not call for any revision.

The management is of the opinion that DFCCIL is a public sector entity and not a private sector entity. Accordingly, the arrangement in our case is a public-to-public arrangement. Thus, the operations are not covered as envisaged under Appendix-D of Ind AS 115.

Accordingly, the Company is continuing to recognize the expenditure on EDFC/WDFC corridors as Capital Work In Progress / Property, Plant & Equipment. The Company has however now approached MOR vide letter no. HQ-FIN/ACTS(OTHR)/4/2020 dated March 18, 2021 and May 18, 2021 seeking appropriate instructions in the matter. MOR is yet to issue clarifications in the matter.

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, adopted by the Management. In pursuit of the mission and objectives in more orderly, economically, efficiently and effective manner.



The company has internal Control systems and processes in place, which ensures that the rules and procedures are being followed.

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 with reference to financial statements and such internal financial controls with reference to financial statements where operating effectively as at March 31,2021, 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

Fostering harmony amongst its employees by promoting collective participation in activities in workplace has always been one of the foremost objectives of the DFCCIL. The surge of Corona pandemic since April 2021 posed daunting constraints for organisational activities. All possible measures were taken to mitigate the impact of pandemic. Significant contribution was also made by providing four oxygen concentrators to Northern Railway Central Hospital, New Delhi. In-house COVID-19 testing camps (RTPCR) were organised to detect cases amongst DFCCIL employees and contain spread of COVID-19. There was a massive disruption of supplies, during lockdown period specifically items meant for preventing spread of Covid-19 in local markets of respective remote places. To provide succor to employees posted at road side stations of DFCCIL, a special train was run over Eastern and Western corridor to distribute Covid-19 protective supplies viz sanitisers (500 litres), face masks (3000), hand gloves (3000 pairs) and wipes (one lakhs) to be distributed amongst site employees and project partners.

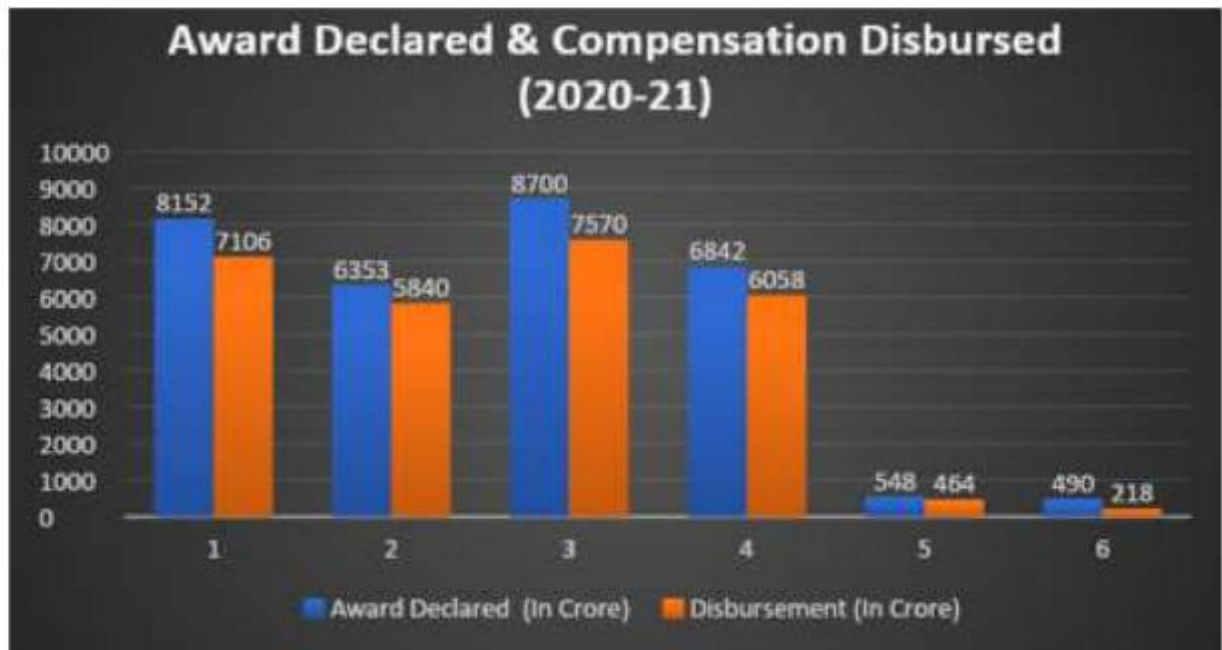


Distribution of Covid Material During First Wave in Eastern Corridor In May-2020

Environment Protection, Conservation and Social Safeguards Measures.

I) DISBURSAL OF COMPENSATION

Disbursal of R&R/Land Compensation to more than 98% PAPs (as per Old and New Act) over EDFC-1, 94% in EDFC-2 & 93% in EDFC-3 was made. Issue of disbursal of Rs. 5 lakh (choice of annuity), pending since 2015 in EDFC-2, was resolved and disbursal amongst eligible PAPs was started. Disbursal of Land Awards in the states of Jharkhand, Bihar and West Bengal was expedited.



II) DISBURSAL OF ENHANCED COMPENSATION

Issue of enhanced compensation to PAPs in lieu of Housing Units in Maharashtra State got resolved and the disbursal process of enhanced R&R compensation to PAPs of district Raigargh, Thane & Palghar was expedited in active coordination with concerned district authorities.

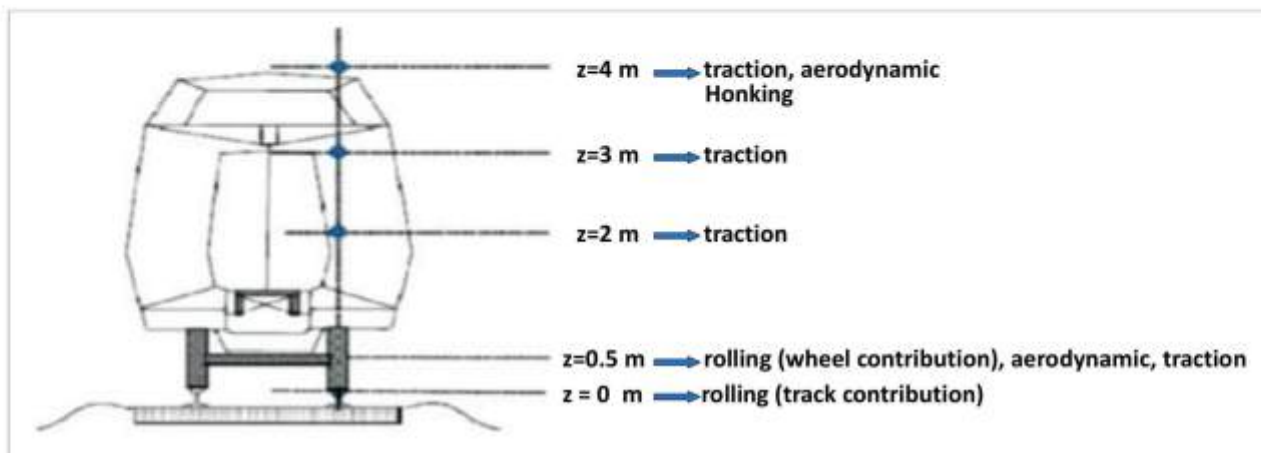
III) RESOLUTION OF RESIDUAL LAND ISSUE

Pending issue of settlement of claims against residual land was resolved in consultation with the World Bank. Notice inviting claim against residual land from eligible PAPs was published in multiple newspapers in concerned districts of EDFC-2.

IV) INSTALLATION OF NOISE BARRIERS

DFCCIL took an initiative of erecting the noise barriers in consultation with the World Bank. The purpose of the noise barrier is to attenuate the train noise. 10 noise barriers have been erected at sensitive areas like schools and hospitals located within 100 m from DFC Track centre. It will eliminate approximately 10-15 db (A) noise from train operation. This is the first time in India that noise barriers are installed in any railway project.





Sources of noise from different heights of rolling stock

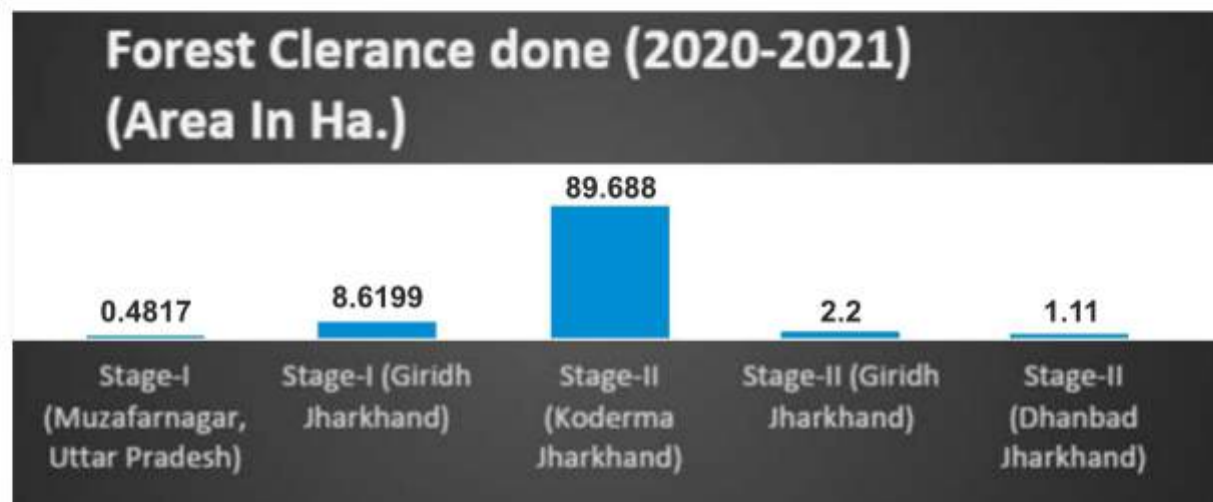


Noise Barrier at Sensitive receptors in Khurja-Bhaupur Section

V) RESETTLEMENT & REHABILITATION OF PAPs

Project Affected Persons (PAPs) were suitably compensated for their overall rehabilitation and resettlement. Living standards of the villages and area along the alignment were uplifted with substantial inputs from the Project. Construction activities have created a lot of employment for the locals and provided them with means of livelihood. The flora and fauna of the area was well maintained and all biodiversity concerns were properly addressed. Landscape, drains and water bodies were amalgamated with the construction of green corridors. A number of ROBs, RUBs and RFO were added on to ensure smooth passage and minimum inconvenience to the public at large.

VI) RECORD NUMBER OF FOREST CLEARANCE OBTAINED



SL	Stage	Dist	State	Area (Ha)
1	Stage-I	Muzafarnagar	UP	0.4817
2	Stage-I	Giridh		8.6199
3	Stage-II	Koderma	Jharkhand	89.688
4	Stage-II	Giridh		2.2
5	Stage-II	Dhanbad		1.11

VII) MASSIVE TREE PLANTATION DRIVE

Plantation of 44800 trees as part of Green Belt Development along the DFC row in Khurja-Bhaupur section of EDFC was done. "Massive Plantation Drive" is being undertaken over DFC to increase Carbon Sink with an estimated plantation of one lakh trees at different sites.

VIII) RESTORATION OF CONSTRUCTION SITES

To avoid any post construction impact on the ecosystem, all sites operated during the construction phase of EDFC-I (Khurja-Bhaupur) like Batching Plants and borrowed areas were reinstated as per Environmental Management Plan. Completed structures including Major bridges, minor RUB etc were cleared-off of Sand, mud, construction material etc.

IX) RECYCLING OF WASTE

In the series of Green Initiatives taken by DFC, practices like reuse of concrete waste in repair of haul roads and reuse of waste water for dust suppression and plant watering were followed. Plastic wastes are reused by packing them into bottles and using them as building blocks. To promote water conservation, DFC has provided roof top rain water harvesting in 10 station buildings of Khurja-Bhaupur section.





Reuse of wastewater in dust suppression



Waste-water treatment (biological) by using Canna indica



Reuse of waste concrete in making of crash barrier

X) REDUCTION IN ENERGY CONSUMPTION

Energy saving measures like use of 5 Star electrical equipment, LED Light, solar panels at Station building rooftop, yards etc were implemented. Installations are configured to adopt Green Energy Concept to meet minimum 10% energy requirement through renewable sources. Harnessing of solar power is also underway to meet a part of the energy requirement. Till date 645 KWP solar capacity has been installed in the form of integrated modules at level crossing gates, signalling huts, crossing & junction stations.

XI) COVID PROTOCOL AND SAFETY

Safe Operating Procedure (SOP) to protect the working force from COVID 19 infection has been adopted and implemented at sites. All contract packages have achieved safe working Hours without any Loss Time injury. Labour welfare facilities like rest shelter, first aid, portable toilet and drinking water have been provided at the workfront. No case of Gender based violence was reported from the Project vicinity.

XII) MITIGATION PLAN

Wildlife Institute of India, Dehradun has been assigned the task of preparing a Mitigation Plan to reduce the impact of DFCCIL alignment passing through Wildlife Sanctuary. Preparation of a road map for implementation of CPCB prescribed environmental performance parameters at DFCCIL stations is under progress.

XIII) CAPACITY BUILDING AND AWARENESS

Capacity building workshops for DFCCIL officials, PMC, Contractor and NGO staff are regularly being organized by engaging teams of environment experts. A message on "Bio Diversity " was conveyed from MD/DFCCIL to all Field Units on the occasion of 'World Environment Day' on 5th June 2020.

National Days related to Environment, Workmen Safety, Fire Safety etc. are being observed in the organization from time to time. Project Executing Agencies won "Corona Warriors" Award 2020-2021 from CIDC

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 193 manpower has been inducted through various sources out of which 173 candidates joined through open market recruitment and none through immediate absorption. In addition to above, total of 20 posts were filled through Permanent absorption at various levels/cadres. Further, 22 retired Govt. Employees have been re-engaged as Consultant/re-employment basis mainly in Traffic, Civil, Finance, S&T and Electrical departments against regular post due to non-availability of regular staff and keeping in view the urgent need of the manpower for trains operation and project related work. 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, 48 employees have joined DFCCIL on deputation basis. With new induction, total strength as on 31.03.2021 is 1842 employees (1555 - Permanent, 192 - Deputation, 50 - Re-employed, 34 - Contract & 11 - Consultants).

3. Policy Initiatives:

Following policies have been introduced during the year:

- (i) Clarification regarding absence period during COVID 19 Pandemic
- (ii) Exemption of employees with disabilities from joining office during COVID
- (iii) Addition of COVID 19 as a Special Disease
- (iv) Curtailment of Allowances, Benefits and Reduction in overhead expenditure for COVID 19 pandemic.
- (v) Special Cash package in lieu of Leave Travel Concession Fare during the Block year 2018-21
- (vi) Revised policy on Recruitment and promotion
- (vii) Amendment in Permanent/Immediate Absorption Policy
- (viii) Modification to Deputation Policy



- (ix) Non-functional grade for regular employees and grant of special allowance to Deputation
- (x) Equal Opportunity Policy for Persons with Disabilities(PwD) in DFCCIL
- (xi) Syllabus for the competitive written examination based on CBT for promotion to N5, E0 and E2 level
- (xii) Payment of Settlement Dues to retiring employees

4. Training- Learning and Development during 2020-21

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. 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.

Training at DFCCIL includes Induction Training, Technical Training, Refresher Training, General Management Training, Behavioural 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 2020-21, Induction and Specialized Technical Trainings were organized at various Railway Training Institutes for 173 fresh recruits at ZRTI, Udaipur, IRICEN, IRIEEN, IRISSET and ZRTIs at Sabarmati, Ghaziabad and Varanasi.

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. 795 employees have undergone training during the year 2020-21 and 1962 training Mandays were achieved.

Since DFCCIL is a Construction Organization which has also entered in 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.

In this year of pandemic, bulk of trainings have been organized in online mode and focus was on technical trainings offered by the Railway Institutes like IRICEN and IRIEEN. Training has also been imparted from institutes such as CRISIL, NAHRD, ICWAI, Time Professional Learning, AIMA, DPC and National Productivity Council. A few offline trainings on generic topics like D&AR, RTI, Competency management and Leadership Development were organized in the small window of January-February 21.

Other professional areas where training was imparted included Contract Management, Arbitration, Dispute Resolution, Labour Laws, Land Acquisition, Tendering and Procurement, P. Way, Bridge Module, Design Maintainability, Smart Lightings, GST, GeM, International Trade Finance, Project Finance for Multilateral Funding Agencies, Disciplinary Rules and Procedures and RTI.

There were no foreign trainings organized this year owing to the pandemic travel restrictions.

Besides this, trainings on Rail sidings, freight and terminal management were arranged for officers of Operations and Business development department. Senior officers of DFCCIL have also attended the 5th Edition of Rail India Conference and Expo. Online workshops on crisis management, stress management, work life balance and wellness were also organized. Leadership Workshop on post-covid business scenarios was also organized for senior officials.

5. 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.



ANNEXURE 'D'



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 2020-21

*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, 2020 and ended on 31st March, 2021 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, 2021 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) as they had been notified by Central Government with effect from 01st July, 2015 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 except there is only one Independent Director in the board. 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.

Sd/-

Signature:

**Balika Sharma & Associates
Practicing Company Secretaries**

FCS No: 4816

C P No: 3222

UDIN :F004816C000911733

Place: New Delhi

Date: 07/09/2021

Note:

Due to restricted movement amid COVID-19 pandemic, we have examined the Secretarial Records including Minutes, Documents, Registers and other records etc. of the Company for the period ended March 31, 2021 through electronic mode as provided by the Company and we could not examine the original records. This Report is limited to the Statutory, Compliances on laws /regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2021 pertaining to Financial Year 2020-21.

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.

GST No. 07AMAPS9564K1ZE

Membership No. 4816, C.P.No. 3222

ANNEXURE 'I'



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.

Place: New Delhi
Date: 07/09/2021

Sd/-
Signature:
Balika Sharma & Associates
Practicing Company Secretaries
FCS No: 4816
C P No: 3222
UDIN : F004816C000911733



ANNEXURE 'D-1'

Management Reply to the Comment of Secretarial Auditor on the Composition of the Board of the Company

Comment of Secretarial Auditor	Management Reply to the Comment of Secretarial Auditor
<p>The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors except there is only one Independent Director in the board.</p>	<p>As per Article 81 of Article of Association of the Company -</p> <p>(1) The President shall have powers to appoint:</p> <p>(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.</p> <p>(b) The Directors representing the Government of India and/or any State Government; and</p> <p>(c) Other Directors including independent Directors in consultation with the Chairman.</p> <p>The Directors appointed by the President shall hold office until removed by him or until their resignation, retirement, death or otherwise.</p> <p>Therefore, the power to appoint Directors on the Board of DFCCIL lies with the President.</p>

ANNEXURE 'E'



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



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

संख्या/पी.डी.ए./आर.सी./AA-DFCCIL/14-23/2021-22/149

दिनांक: 23.09.2021

सेवा में,

* प्रबंध निदेशक,
डेडिकेटेड फ्रेट कॉरिडोर कारपोरेशन ऑफ इंडिया लिमिटेड,
कॉन्कोर भवन, सी-3, मथुरा रोड, अपोजिट अपोलो हॉस्पिटल
नई दिल्ली – 110076

विषय : 31 मार्च 2021 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 महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

मैं, डेडिकेटेड फ्रेट कॉरिडोर कारपोरेशन ऑफ इंडिया लिमिटेड, के 31 मार्च 2021 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखा परीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्न को सहित प्राप्ति की पावती भेजी जाए।

संलग्न : यथोपरी

भवदीय

हस्ता./—

(के.एस. रामुवालिया)

प्रधान निदेशक (रेलवे वाणिज्यिक)

*Address to be read as under :-

DFCCIL, 5th Floor, Supreme Court Metro

Station Building Complex, New Delhi-110001



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 2021

The preparation of financial statements of Dedicated Freight Corridor Corporation of India for the period ended 31 March 2021 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 30.07.2021.

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 for the period ended 31 March 2021 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:

Comments on Financial Position

- (i) Property, Plant and Equipment – ₹ 13,66,650.81 lakh
Capital Work in Progress (Note 3) – ₹ 3801520.08 lakh

The above amount represents the expenditure incurred by the Company on construction of Eastern and Western Dedicated Rail Freight Corridor. The Company has entered into a Concession agreement with Ministry of Railways (MoR) to implement the project and operate and maintain the new Railway for a concession period of 30 years. As per the agreement, Ministry of Railways will utilise the network and pay Track Access Charges to the Company.

As per Para 11 of Ind AS 115 (Appendix C) such infrastructure created under service concession agreement cannot be recognized as, Property Plant and Equipment.

The Company has recognised infrastructure created under the Concession agreement as 'Property Plant and Equipment / Capital Work in Progress' in violation of Ind AS 115. The same should have been depicted as 'Intangible assets / Financial Assets'. Therefore, 'Property Plant and Equipment' has been overstated by ₹13,66,650.81 lakh, 'Capital work in Progress' has been overstated by ₹ 38,01,520.08 lakh and correspondingly 'Intangible assets / Financial assets (under development)' have also been understated by ₹ 51,68,170.89 lakh.



(ii) Trade Payables, (Note No. 17)**Outstanding dues to creditors other than MSME - ₹ 7790.77 Lakh**

The amount of ₹7790.77 lakh payable towards employee benefit expenses, project withholds and lease rent has been shown as "Trade payables" instead of "Other Financial Liabilities".

This has resulted into overstatement of "Trade Payables" and understatement of "Other Financial Liabilities" to the extent of ₹ 7,790.77 lakh.

iii) Other Non-Current Assets - ₹ 698126.72 lakh (Note No. 8)

The input tax credit of GST of ₹ 98,146.40 lakh on the works executed by the Company has been shown as Non-Current Assets instead of bifurcating the same into Current Assets and Non-Current Assets.

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: 23.09.2021



Management Reply to CAG Comments on Financial Statements of DFCCIL for F/Y 2020-21

CAG Comments		Management Reply on CAG Comments
A	Comments on Financial Position	
(i)	<p>Property, Plant and Equipment – Rs 13,66,650.81 lakh</p> <p>Capital Work in Progress (Note 3) – Rs 3801520.08 lakh</p> <p>The above amount represents the expenditure incurred by the Company on construction of Eastern and Western Dedicated Rail Freight Corridor. The Company has entered into a Concession agreement with Ministry of Railways (MoR) to implement the project and operate and maintain the new Railway for a concession period of 30 years. As per the agreement, Ministry of Railways will utilise the network and pay Track Access Charges to the Company. As per Para 11 of Ind AS 115 (Appendix C) such infrastructure created under service concession agreement cannot be recognized as, Property Plant and Equipment. The Company has recognised infrastructure created under the Concession agreement as 'Property Plant and Equipment / Capital Work in Progress' in violation of Ind AS 115. The same should have been depicted as 'Intangible assets / Financial Assets'. Therefore, 'Property Plant and Equipment' has been overstated by Rs 13,66,650.81 lakh, 'Capital work in Progress' has been overstated by Rs 38,01,520.08 lakh and correspondingly 'Intangible assets / Financial assets (under development)' have also been understated by Rs 51,68,170.89 lakh.</p>	<p>Para 4 of Appendix D of Ind AS-115 dealing with Scope of Service Concession Arrangements provides as under:-</p> <p>"This Appendix gives guidance on the accounting by operators for public-to-private service concession arrangements."</p> <p>Further, Section 2(45) of Companies Act, 2013 defines "Government company" as follows-</p> <p>"Government Company means any company in which not less than fifty-one per cent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary company of such a Government company."</p> <p>DFCCIL is a public sector company fully owned by the Ministry of Railways, Government of India therefore, it does not satisfy the primary condition of being a 'private sector entity' as mentioned in Service Concession Arrangements as per Ind AS 115.</p> <p>The management is of the opinion that since DFCCIL is a public sector entity and not a private sector entity, the arrangement in our case is a public-to-public arrangement. Thus the operations are not covered as envisaged under Appendix D of Ind AS 115. The company has the mandate to create, construct, maintain and operate the assets and it works on the going concern concept and it cannot be construed that Railway is the owner of the DFCCIL assets, though Railways owns the 100% equity of DFCCIL. Accordingly, the Company is continuing to</p>

CAG Comments	Management Reply on CAG Comments
	<p>recognize the expenditure on EDFC/WDFC corridors as capital work in progress / property, plant & equipment.</p> <p>The Company has however approached MOR vide letter no. HQFIN0ACTS(OTHR)/4/2020 dated March 18, 2021 and May 18, 2021 seeking appropriate instructions in the matter. MOR is yet to issue any clarifications in the matter.</p> <p>As the issue has significant financial implications for DFCCIL, it has been considered appropriate to wait for clarification from MoR on Concession Agreement as company is of opinion that existing accounting treatment is correct and the same is not in violation of Ind AS 115. Further this aspect of Accounting has been appropriately disclosed as part of Notes to Accounts (Note 36) in a transparent manner.</p>
<p>(ii) Trade Payables, (Note No. 17)</p> <p>Outstanding dues to creditors other than MSME – Rs 7790.77 Lakh</p> <p>The amount of Rs 7790.77 lakh payable towards employee benefit expenses, project withholds and lease rent has been shown as “Trade payables” instead of “Other Financial Liabilities”. This has resulted into overstatement of “Trade Payables” and understatement of “Other Financial Liabilities” to the extent of Rs 7,790.77 lakh</p>	<p>Para 8.2.4.2 of the Guidance note on Division II – Ind As Schedule III to the Companies Act, 2013 defines trade payable as follows-</p> <p>“A payable shall be classified as ‘trade payable’ if it is in respect of the amount due on account of goods purchased or services received in the normal course of business.”</p> <p>Project With-hold:</p> <p>These are payable to the contractors towards goods and/or services received in the normal course of business which will be released on fulfilment of certain conditions.</p> <p>Employee benefit expenses and lease rent:</p> <p>These are payable against the services received by the company in the normal course of its business.</p> <p>Thus the above three types of amounts are covered under the definition of trade payables given in the above referred definition in the Guidance Note.</p>



CAG Comments		Management Reply on CAG Comments
		However as suggested by Audit, Company will review the existing classification for better disclosure in Accounts of 2021-22.
(iii)	<p>Other Non-Current Assets – Rs 698126.72 lakh (Note No. 8)</p> <p>The input tax credit of GST of Rs 98,146.40 lakh on the works executed by the Company has been shown as Non-Current Assets instead of bifurcating the same into Current Assets and Non-Current Assets.</p>	<p>As per Para 66 of IND AS 1-</p> <p>“An entity shall classify an asset as current when:</p> <p>(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;</p> <p>(b) it holds the asset primarily for the purpose of trading.</p> <p>(c) it expects to realise the asset within twelve months after the reporting period; or</p> <p>(d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.</p> <p>An entity shall classify all other assets as non-current.”</p> <p>As per letter number 2011/Infra/6/10/Pt 3 dated 03/12/2018, TAC computation needs approval of Railway Board. Pending same, Revenue has been booked on unbilled basis. As such modalities and timing of raising of invoice and state from which GST ITC will be utilized is not final. It is not finalised as to whether SGST/CGST will have to be paid or IGST will have to be paid.</p> <p>As Company has commenced part operations only in 2020-21, there is no basis of reasonable estimation of amount of GST ITC to be shown as Current asset. Therefore, on conservative basis, all GST ITC has been shown as Non-Current asset.</p> <p>Mechanism of billing will be finalized in F.Y. 2021-22 and appropriate disclosure will be made in accounts of 2021-22.</p>

Balance Sheet as at March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	As At March 31, 2021	As At March 31, 2020
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	13,66,650.81	2,530.25
(b) Capital work-in-progress	3	38,01,520.08	37,95,661.68
(c) Right-of-use assets	30	4,949.62	7,541.53
(d) Other intangible assets	4	7.89	9.74
(e) Intangible assets under development	4	2,147.20	1,770.91
(f) Financial assets			
(i) Other non-current financial assets	5	2,180.68	1,906.27
(g) Deferred tax assets (net)	6	3,354.61	4,744.18
(h) Non current tax assets (net)	7	1,017.91	5,186.67
(i) Other non-current assets	8	6,98,126.72	7,63,768.80
Total non current assets		58,79,955.52	45,83,120.03
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	9	26,205.84	25,667.00
(ii) Other Bank balances	10	20,567.02	9,089.06
(iii) Other current financial assets	5	42,293.63	5,165.88
(b) Other current assets	8	1,044.22	1,379.78
Total current assets		90,110.71	41,301.72
Total assets		59,70,066.23	46,24,421.75
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	14,07,662.50	14,07,662.50
(b) Other equity	12	29,393.68	17,966.65
Total equity		14,37,056.18	14,25,629.15



(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	As At March 31, 2021	As At March 31, 2020
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	26,73,878.16	22,18,791.64
(ii) Lease liabilities	30	2,263.45	4,679.97
(iii) Other financial liabilities	14	2,71,704.60	2,44,209.72
(b) Provisions	15	2,855.97	2,809.64
(c) Other non-current liabilities	16	66,292.06	51,316.00
Total non-current liabilities		30,16,994.24	25,21,806.97
Current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	30	2,637.74	2,716.09
(ii) Trade payables	17		
a) Total outstanding dues of micro enterprises and small enterprises		13.37	19.15
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,790.77	2,758.31
(iii) Other financial liabilities	14	14,44,585.46	6,38,472.90
(b) Other current liabilities	16	31,932.20	18,984.09
(c) Provisions	15	26,360.41	14,035.09
(d) Current tax liabilities (net)	18	2,695.86	-
Total current liabilities		15,16,015.81	6,76,985.63
Total liabilities		45,33,010.05	31,98,792.60
Total equity and liabilities		59,70,066.23	46,24,421.75
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

For and on behalf of Board of Directors of

Dedicated Freight Corridor Corporation of India Limited

Sd/-
(Sandeep Dinodia)

Partner

Membership Number 083689

Sd/-
(Ravindra Kumar Jain)

Managing Director

DIN-08641707

Sd/-
(Hira Ballabh)

Director Finance & CFO

DIN-08738632

Sd/-
(Meenu Kapoor)

Company Secretary

ACS-18954

Place of Signature: New Delhi

Date: 30.07.2021



Statement of Profit and Loss for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from Operations	19	28,988.84	-
II Other income	20	22,840.88	6,140.00
III Total income		51,829.72	6,140.00
IV Expenses			
(a) Employee benefits expense	21	3,927.24	1,588.21
(b) Finance costs	22	7,920.75	735.89
(c) Depreciation and amortization expense	23	18,377.11	2,222.83
(d) Other expenses	24	6,425.41	13,609.43
Total Expenses		36,650.51	18,156.36
V Profit/(loss) before tax (III-IV)		15,179.21	(12,016.36)
VI Tax expense:			
(a) Current tax		2,607.94	-
(b) Deferred tax		1,325.78	(2,964.54)
Total tax expense (VI)		3,933.72	(2,964.54)
VII Profit/(loss) for the year (V-VI)		11,245.49	(9,051.82)
VIII Other Comprehensive Income	25		
(A) (i) Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		245.33	(185.43)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(63.79)	48.21
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax on items that will be reclassified to profit or loss		-	-
Total other comprehensive income for the year, net of tax		181.54	(137.22)



(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
IX Total comprehensive income of the year, net of tax		<u>11,427.03</u>	<u>(9,189.04)</u>
X Earnings per share: (Face value ₹ 1,000 per share)	26		
1) Basic (amount in ₹)		7.99	(7.82)
2) Diluted (amount in ₹)		7.99	(7.82)
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

For and on behalf of Board of Directors of

Dedicated Freight Corridor Corporation of India Limited

Sd/-

(Sandeep Dinodia)

Partner

Membership Number 083689

Sd/-

(Ravindra Kumar Jain)

Managing Director

DIN-08641707

Sd/-

(Hira Ballabh)

Director Finance & CFO

DIN-08738632

Sd/-

(Meenu Kapoor)

Company Secretary

ACS-18954

Place of Signature: New Delhi

Date: 30.07.2021

Statement of cash flows for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Cash flow from operating activities			
Profit before tax		15,179.21	(12,016.36)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation		18,377.11	2,222.83
Loss on sale of assets		20.51	20.67
Gain on lease modification		(80.70)	-
Interest income on financial assets measured at amortised cost		(5,392.04)	(4,866.39)
Unrealized foreign exchange fluctuation		(16,080.47)	10,996.15
Finance Cost		7,694.76	122.75
Operating profit before working capital changes		19,718.38	(3,520.35)
Change in working capital:			
(Increase)/ Decrease in other financial assets		(37,386.45)	(1,759.96)
(Increase)/ Decrease in other assets		(38,747.59)	(41,235.52)
Increase / (Decrease) in other financial liabilities		(23,982.88)	15,194.06
Increase / (Decrease) in provisions		12,371.66	5,053.40
Increase / (Decrease) in other liabilities		28,147.91	11,018.73
Cash Generated / (used in) operations		(39,878.97)	(15,249.64)
Less: Income Tax Paid (net of refunds)		(135.81)	(477.18)
Net Cash generated from /(used in) operating activities		(40,014.78)	(15,726.82)
II. Cash flow from investing activities:			
Purchase of property, plant & equipments including capital work in progress & asset under development		(12,82,944.17)	(10,95,849.62)
Sale of property, plant & equipments		33.16	20.41
(Increase)/ Decrease in creditors for capital expenditures		(57,322.29)	29,956.22
(Increase)/ Decrease in capital advances		1,08,145.13	40,047.10



(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Net movement in other bank balances		(11,477.95)	(1,561.40)
Interest received		5,376.34	4,980.76
Net Cash Generated / (Used in) Investing Activities		(12,38,189.78)	(10,22,406.53)
III. Net cash flow from financing activities:			
Proceeds from Share Application Money		-	3,05,384.59
Share issue transaction cost		-	(616.43)
Net Fund Received/(Utilised) from MOR		7,97,058.22	98,360.30
Net Proceeds from Long Term Borrowings		5,24,308.79	6,81,300.00
Repayment of Long Term Borrowings		(26,998.98)	(23,180.73)
Payment of principal portion of lease liabilities		(2,488.04)	(2,144.94)
Interest Expense Paid		(13,136.59)	(23,393.35)
Net Cash generated / (used in) Financing Activities		12,78,743.40	10,35,709.44
Net change in Cash & cash equivalents (I+II+III)		538.84	(2,423.91)
Cash and cash equivalents as at the beginning of the year		25,667.00	28,090.91
Cash and cash equivalents at the end of the year		26,205.84	25,667.00
Components of Cash And Cash Equivalents			
With banks - on current account and deposits with banks		26,205.84	25,667.00
Total Cash and Cash equivalent		26,205.84	25,667.00
Non Cash Transactions:			
Increase/(Decrease) in liabilities arising from financing activities on account of non cash transactions:			
Exchange Differences		(11,577.63)	57,980.62
EIR adjustment of prepaid borrowings		343.57	261.83
EIR adjustment of security deposit		4,516.27	4,661.67

Note	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) 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
(ii) Amount spent during the year		
i) Construction/acquisitions of any asset	-	-
ii) For purposes other than (i) above		
a) Payment for eradicating hunger, poverty and promoting preventive healthcare and sanitation projects	14.59	55.14
b) Payment for rural sports, nationally recognized sports, Paralympic sports and Olympic sports	-	-
c) Payment for educational & employment enhancing vocation skills	5.89	6.51
d) Others	4.03	-
	34.51	61.65
(iii) Amount yet to be spent	-	63.84
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

For and on behalf of Board of Directors of

Dedicated Freight Corridor Corporation of India Limited

Sd/-
(Sandeep Dinodia)
Partner
Membership Number 083689

Sd/-
(Ravindra Kumar Jain)
Managing Director
DIN-08641707

Sd/-
(Hira Ballabh)
Director Finance & CFO
DIN-08738632

Sd/-
(Meenu Kapoor)
Company Secretary
ACS-18954

Place of Signature: New Delhi

Date: 30.07.2021



Notes to the financial statements for the year ended March 31, 2021

Note 1: Corporate Information

Dedicated Freight Corridor Corporation of India Limited ("DFCCIL" or "the Company") is a public company incorporated and domiciled in India having its registered office in Delhi. The Company has been registered on October 30, 2006 under the provisions of the Companies Act 1956. DFCCIL has been setup under the administrative control of Ministry of Railway for the construction, maintenance and operation of the Dedicated Freight Corridor from Rewari to JNPT (Western Dedicated Freight Corridor) and from Ludhiana to Dankuni (Eastern Dedicated Freight Corridor) and maintains its and principal place of business at Delhi. 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.

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 includes 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 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 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. The Company recognizes 12 months period as its operating cycle.

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 based on the best estimate on that date 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, net of accumulated impairment loss, if any. Expenditure during construction period net of any incidental income is capitalized as part of relevant assets.- Capital stores are valued on weighted average cost basis.

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 compared to main asset, then the Company depreciates them separately based on their specific useful lives. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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 on Straight Line Method using the useful life specified in Schedule II of the Companies Act, 2013 except in case of certain assets where the useful life has been determined based on the technical evaluation done by the management's expert or as per Para 219 of Indian Railway Finance Code Volume I, as management is of the opinion that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The following useful lives of the property, plant & equipment has been given where company is following useful life other than Schedule II:

Particulars	Useful life as per Schedule II	Useful life used based on Para 219/ Technical evaluation
EDP Assets (includes computers, laptops, server etc.)	3 to 6 Years	3-8 Years
Office Equipment	5 Years	5-10 Years
Machinery	15 Years	5-40 Years*
Building and other civil structure	60 years	50 years*
Viaduct, Bridges, Tunnels, Culverts	30 years	100 years*
Track Works:		
Earth Works	Not Available	100 years*
Track Main Line	Not Available	20 years
Track Yard Line	Not Available	30 years
Electrical assets such as Overhead equipments and SCADA	Not Available	40 years*
Signaling & Telecom Equipments	13-18 years	15-20 years

*Restricted to 30 years, over which the assets are likely to be used, in line with the arrangement with the Ministry of Railways (MoR).



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 fully in the year of purchase.

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 recognised 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 from contract with customer

i) Revenue is measured at fair value of the consideration received or receivable which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.. The Company recognises revenue when the amount of revenue can be reliably measured and when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

ii) Track Access Charges

Charges The Company is engaged in the business of design, construction, operation, repair and maintenance of the Freight Corridor and earns revenue from track access charges which are recognised over time. Presently Indian Railway is sole user.

iii) Interest Income

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.

iv) Other items of Income are accounted for as and when the right to receive is established.

v) Service charges income is recognised as per terms of contract.

l) 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.

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.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. The Company is following cumulative approach for accounting of exchange loss in relation to its foreign currency borrowing.

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 29 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 company, 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.

s) Application of New Accounting Pronouncements effective from April 01, 2020:

The following Ind As pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules 2020, were applied by the Company during the year:

- Amendment to Ind AS 103- Business Combinations
- Amendment to Ind AS 39, Ind AS 107 and Ind AS 109- Interest Rate Benchmark Reform
- Amendment to Ind AS 116- Leases
- Amendment to Ind AS 1 and Ind AS 8- Definition of Material

None of the changes described above, have any impact on the net worth, financial position, financial performance or on the cash flow of the Company.

Statement of changes in equity for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

A. Equity share capital		Amount	
As at April 01, 2019		10,76,872.84	
Shares issued during the year		3,30,789.66	
As at March 31, 2020		14,07,662.50	
Shares issued during the year		-	
As at March 31, 2021		14,07,662.50	
B. Other equity	Share application money pending allotment	Reserves & surplus Retained earnings	Total
As at April 01, 2019	25,405.07	27,611.85	53,016.92
Profit for the year	-	(9,051.82)	(9,051.82)
Other comprehensive income*	-	(137.22)	(137.22)
Share issue transaction cost (net of tax of ₹ 160.27 lakh)	-	(456.16)	(456.16)
Shares issued during the year	(3,30,789.66)	-	(3,30,789.66)
Share application money received during the year	3,05,384.59	-	3,05,384.59
Balance at March 31, 2020	-	17,966.65	17,966.65
Profit for the year	-	11,245.49	11,245.49
Other comprehensive income*	-	181.54	181.54
Total comprehensive income for the year	-	11,427.03	11,427.03
Balance at March 31,2021	-	29,393.68	29,393.68

* 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, 2021.
- Remeasurement of defined benefit plans represents accumulated value of Other Comprehensive Income till March 31, 2021.

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: 30th July, 2021

Sd/-

(Ravindra Kumar Jain)

Managing Director

DIN-08641707

Sd/-

(Hira Ballabh)

Director Finance & CFO

DIN-08738632

Sd/-

(Meenu Kapoor)

Company Secretary

ACS-18954



Notes to the financial statements for the year ended March 31, 2021

Note 3 : Property, plant and equipment

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Flat (Leasehold) (Refer Note - a)	Leasehold premises improve-ment	Office/ Station building	Viaduct, Bridges, Tunnels, Culverts	Track Work	Electrical Equip-ments	Signaling & Telecom Equip-ments	Plant & Equip-ments	Office equip-ments	Furniture and Fixtures	EDP assets	Total	Capital work in progress (Refer Note- b)
Gross Block													
As at April 01, 2019	309.34	419.89	-	-	-	-	-	40.39	456.94	1,052.80	897.36	3,176.72	25,38,285.94
Add: Additions made during the year	-	-	-	-	-	-	-	699.81	191.46	615.58	297.61	1,804.46	12,62,219.74
Less: Disposals / adjustments during the year	(309.34)	-	-	-	-	-	-	-	(2.61)	(293.41)	(102.47)	(707.83)	(4,844.00)
As at March 31, 2020	-	419.89	-	-	-	-	-	740.20	645.79	1,374.97	1,092.50	4,273.35	37,95,661.68
Add: Additions made during the year	-	2.85	73,974.83	2,64,607.38	6,68,867.25	2,32,746.36	1,37,148.70	2,237.23	254.41	316.15	314.96	13,80,470.13	13,83,202.92
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	-	(115.40)	(35.65)	(98.23)	(249.28)	-
Less: Transfer to Capitalisation	-	-	-	-	-	-	-	-	-	-	-	-	(13,77,344.52)
As at March 31, 2021	-	422.74	73,974.83	2,64,607.38	6,68,867.25	2,32,746.36	1,37,148.70	2,977.43	784.80	1,655.47	1,309.22	13,84,494.20	38,01,520.08
Depreciation and impairment													
As at April 01, 2019	38.80	301.87	-	-	-	-	-	2.50	238.91	265.34	564.71	1,412.12	-
Add: Depreciation charge for the year	-	60.57	-	-	-	-	-	15.31	67.89	135.40	169.24	448.40	-
Less: On disposals / adjustments during the year	(38.80)	-	-	-	-	-	-	-	(1.23)	(3.85)	(73.55)	(117.42)	-
As at March 31, 2020	-	362.44	-	-	-	-	-	17.81	305.57	396.89	660.40	1,743.10	-
Add: Depreciation charge for the year	-	13.47	823.48	2,286.21	8,295.61	2,159.31	2,188.66	73.54	104.97	143.62	188.16	16,277.03	-
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	-	(103.96)	(10.15)	(62.63)	(176.74)	-
As at March 31, 2021	-	375.91	823.48	2,286.21	8,295.61	2,159.31	2,188.66	91.34	306.58	530.36	785.93	17,843.39	-
Net book value													
As at March 31, 2021	-	46.84	73,151.34	2,62,321.17	6,60,571.64	2,30,587.05	1,34,960.04	2,886.09	478.22	1,125.11	523.29	13,66,650.81	38,01,520.08
As at March 31, 2020	-	57.45	-	-	-	-	-	722.39	340.22	978.06	432.10	2,530.25	37,95,661.68

a) On the application of Ind AS 116 in the FY 2019-20, Leasehold Flat amounting to ₹ 270.54 lakh (net of depreciation) was transferred under the head right of use assets.

b) Capital Work in Progress mainly comprises track, earthwork, bridges and other electrical equipment. As per Ind AS - 23 Borrowing Cost ₹ 456,777.67 lakh (till March 31, 2020 : ₹ 349,332.46 lakh) have been capitalized to capital work in progress till March 31, 2021. Further, other expenditure net of incidental income of ₹ 154,011.42 lakh (till March 31, 2020 : ₹ 122,492.40 lakh) have been recorded as capital work in progress till March 31, 2021.

c) During the year, the Company has commissioned two sections of its ongoing projects as below:

i) New Khurja to New Bhaupur section (350.787 KM) commissioned on December 20, 2020.

ii) Madar to New Rewari (315.628 KM) commissioned on December 28, 2020.

The company has capitalised the cost of ₹ 1,377,344.52 lakh incurred on these two projects as per Ind AS 16.

The cost capitalised for New Khurja to New Bhaupur section is ₹ 720,334.29 lakh and for Madar to New Rewari is ₹ 657,010.23 lakh. These capitalised costs includes all direct and indirect costs related to the respective projects.

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note : 4 Other Intangible Assets

Particulars	Licenses/ Softwares	Total	Intangible Assets under development
At Cost			
Gross block			
As at April 01, 2019	247.22	247.22	1,136.28
Add: Additions during the year	7.36	7.36	634.63
Less: Disposals / adjustments during the year	(0.33)	(0.33)	-
As at March 31, 2020	254.25	254.25	1,770.91
Add: Additions during the year	7.29	7.29	376.29
Less: Disposals / adjustments during the year	(0.01)	(0.01)	-
As at March 31, 2021	261.53	261.53	2,147.20
Amortisation and impairment			
As at April 01, 2019	237.76	237.76	-
Add: Amortisation charge for the year	7.07	7.07	-
Less: On disposals / adjustments during the year	(0.32)	(0.32)	-
As at March 31, 2020	244.51	244.51	-
Add: Amortisation charge for the year	9.12	9.12	-
Less: On disposals / adjustments during the year	(0.00)	(0.00)	-
As at March 31, 2021	253.63	253.63	-
Net book value			
As at March 31, 2021	7.89	7.89	2,147.20
As at March 31, 2020	9.74	9.74	1,770.91



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note 5 : Other financial assets

(Unsecured and considered good, unless otherwise stated)

	Non-Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Security deposits (Refer note below)				
- Considered Good	2,073.77	1,796.22	169.02	119.41
- Considered Doubtful	146.36	146.36	-	-
Earnest Money Deposit	-	-	-	7.50
Employee advances	106.91	110.05	110.96	215.34
Interest accrued on fixed deposit (refer note 10(ii) below)	-	-	95.23	79.53
Expenditure on land acquisition - recoverable from MOR #	-	-	4,679.13	3,522.61
Expenditure on PETS survey - recoverable from MOR #	-	-	0.10	0.10
Unbilled Revenue*	-	-	28,988.84	-
Other recoverable*	-	-	7,433.20	665.15
Advances to contractors	-	-	817.15	556.24
	2,327.04	2,052.63	42,293.63	5,165.88
Less: Loss Allowance	(146.36)	(146.36)	-	-
	2,180.68	1,906.27	42,293.63	5,165.88

Represents recoverable from a related party

* Includes recoverable from related parties ₹ 36,359.84 lakh (March 31, 2020: ₹ 517.10 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 the company. Lease rent shall commence from the date of commissioning.

Funds for acquisition of land are being provided by MOR and deposited in the separate joint 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 joint bank accounts do not form part of the Company's Accounts.

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

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

	As At March 31, 2021	As At March 31, 2020
Deferred tax assets:		
Property, plant & equipment and intangible assets	-	55.36
Share issue transaction cost	-	160.27
Unabsorbed depreciation	13,608.85	73.34
Unabsorbed losses	19,119.54	18,939.43
Loss Allowance	38.05	38.05
Right-of-use assets (ROU)	50.60	15.79
	32,817.04	19,282.24
Deferred tax liabilities:		
Property, plant & equipment and intangible assets	20,557.36	-
Foreign exchange on reinstatement of loan	12,365.25	15,390.30
	32,922.61	15,390.30
Minimum Alternate Tax Credit Entitlement	3,460.18	852.24
Deferred tax assets/(liabilities) (net)	3,354.61	4,744.18

Deferred Tax/ Income Tax

A. Amounts recognised in statement of profit and loss

	As At March 31, 2021	As At March 31, 2020
Current tax expense		
Current year	2,607.94	-
Adjustment for change in estimates for prior period	-	-
	2,607.94	-
Deferred tax expense		
Origination and reversal of temporary differences	1,325.78	(2,964.54)
	1,325.78	(2,964.54)
Total Tax Expense	3,933.72	(2,964.54)



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

B. Amounts recognised in Other Comprehensive Income

	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Before tax	Tax (Expense) / Income	Net of tax	Before tax	Tax (Expense) / Income	Net of tax
Remeasurements of defined benefit liability	245.33	(63.79)	181.54	(185.43)	48.21	(137.22)
	245.33	(63.79)	181.54	(185.43)	48.21	(137.22)

C. Reconciliation of effective tax rate

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations		15,179.21		(12,016.36)
Tax using the Company's domestic tax rate	26.0000%	3,946.60	26.0000%	(3,124.26)
Effect of change in tax rate	0.0000%	-	-0.6410%	77.03
Tax effect of amounts which are not deductible (taxable) in calculating taxable income				
- Corporate social responsibility expense	0.0591%	8.97	-0.1334%	16.03
Property, Plant & Equipment	-0.0222%	(3.37)	0.0136%	(1.63)
Income/ expenses capitalised since the Company is in pre-operative stage	-0.4202%	(63.79)	-0.4012%	48.21
Non-deductible expenses	0.4150%	63.00	-0.1671%	20.08
Changes in estimates related to prior years	-0.1164%	(17.67)	0.0000%	-
	25.9153%	3,933.72	24.6708%	(2,964.54)

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

D. Movement in deferred tax balances

	As At March 31, 2020	Recognized in P&L	Charged to Retained Earning	Recognized in OCI	As At March 31, 2021
Deferred Tax Assets					
Property, plant & equipment and intangible assets	55.36	(55.36)	-	-	-
Share issue transaction cost	160.27	(160.27)	-	-	-
Unabsorbed depreciation	73.35	13,535.50	-	-	13,608.85
Unabsorbed losses	18,939.43	180.11	-	-	19,119.54
Loss Allowance	38.05	-	-	-	38.05
Right-of-use assets (ROU)	15.79	34.81	-	-	50.60
	19,282.24	13,534.79	-	-	32,817.04
Deferred Tax Liabilities					
Property, plant & equipment and intangible assets	-	20,557.36	-	-	20,557.36
Foreign exchange on reinstatement of loan	15,390.30	(3,025.05)	-	-	12,365.25
	15,390.30	17,532.31	-	-	32,922.61
Minimum Alternate Tax Credit Entitlement	852.24	2,607.94	-	-	3,460.18
Net deferred tax asset	4,744.18	(1,389.58)	-	-	3,354.61



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

	As At March 31, 2019	Recognized in P&L	Charged to Retained Earning	Recognized in OCI	As At March 31, 2020
Deferred Tax Assets					
Property, plant & equipment and intangible assets	60.02	(4.66)	-	-	55.36
Share issue transaction cost	-	160.27	-	-	160.27
Unabsorbed depreciation	38.16	35.19	-	-	73.35
Unabsorbed losses	4,045.87	14,893.56	-	-	18,939.43
Loss Allowance	42.62	(4.57)	-	-	38.05
Right-of-use assets (ROU)	-	15.79	-	-	15.79
	4,186.67	15,095.58	-	-	19,282.24
Deferred Tax Liabilities					
Foreign exchange on reinstatement of loan	3,467.73	11,922.57	-	-	15,390.30
	3,467.73	11,922.57	-	-	15,390.30
Minimum Alternate Tax Credit Entitlement	852.24	-	-	-	852.24
Net deferred tax asset	1,571.18	3,173.01	-	-	4,744.18

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.

Note 7: Non current tax assets (net)

	As At March 31, 2021	As At March 31, 2020
Advance Income Tax	799.71	4,852.46
[Net of provision of ₹ Nil, (March 31, 2020 : ₹ Nil)]		
Amount paid under protest:		
- Income Tax	218.20	334.21
	1,017.91	5,186.67

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note 8 : Other assets

(Unsecured and considered good, unless otherwise stated)

	Non-Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Capital advances				
- Mobilisation Advance	1,31,156.22	2,17,488.47	-	-
- Advance for Shifting of Utilities *	3,07,412.05	3,27,859.92	-	-
- Advance for ROB/RUB * (refer note 16(i))	77,434.47	70,591.69	-	-
- Advance for Capital Works-Others *	32,613.05	40,825.78	-	-
- Interest accrued on mobilization advances & others	3,005.91	3,000.96	-	-
Gratuity Fund	-	-	387.87	-
Prepaid expenses	3.29	532.83	656.35	864.04
Balance with Government Authorities	1,37,230.90	99,680.82	-	-
Other advances	9,270.83	3,788.33	-	515.74
	6,98,126.72	7,63,768.80	1,044.22	1,379.78

* includes advances given to related parties ₹ 248,648.27 lakh (March 31, 2020: ₹ 264,474.49 lakh)

Note 9 : Cash and cash equivalents

	As At March 31, 2021	As At March 31, 2020
Balance with banks:		
- In current and flexi account	26,205.84	25,667.00
	26,205.84	25,667.00

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

	As At March 31, 2021	As At March 31, 2020
Balance with banks:		
- In current account and flexi	26,205.84	25,667.00
	26,205.84	25,667.00



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note 10 : Other bank balances

	Current	
	March 31, 2021	March 31, 2020
Earmarked balances with banks (refer note 16(ii))	20,027.10	8,576.20
Deposits with original maturity of more than 3 months but less than 12 months (refer note (i) & (ii) below)	539.92	512.86
	20,567.02	9,089.06

- (i) This fixed deposit is pledged with Delhi Metro Rail Corporation Limited.
- (ii) Fixed Deposits with Bank as at March 31, 2020 include ₹ 512.86 lakh and interest accrued of ₹ 2.97 lakh which has been reclassified from non current to current in comparative period's financial statements as the same was inadvertently classified as non current in previous year. This reclassification has no effect on the reported results of the company.

Note 11 : Equity Share capital

	As At March 31, 2021	As At March 31, 2020
Authorised:		
220,000,000* (March 31, 2020 : 220,000,000) equity shares of ₹ 1,000 each	22,00,000.00	22,00,000.00
Issued, subscribed & fully paid up:		
140,766,250* (March 31, 2020 : 140,766,250) equity shares of ₹ 1,000 each	14,07,662.50	14,07,662.50
	14,07,662.50	14,07,662.50

*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, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
Balance at the beginning of the year	22,00,00,000.00	22,00,00,000.00	22,00,000.00	22,00,000.00
Increase/(decrease) during the year	-	-	-	-
Balance at the end of the year	22,00,00,000.00	22,00,00,000.00	22,00,000.00	22,00,000.00

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

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

	(Number of Shares)		(Amount in ₹ 'Lakh')	
	As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
Balance at the beginning of the year	14,07,66,250	10,76,87,284	14,07,662.50	10,76,872.84
Increase/(decrease) during the year	-	3,30,78,966	-	3,30,789.66
Balance at the end of the year	14,07,66,250	14,07,66,250	14,07,662.50	14,07,662.50

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, 2021		As At March 31, 2020	
	No. of Shares	Percentage	No. of Shares	Percentage
The President of India & his nominees	14,07,66,250	100.00%	14,07,66,250	100.00%

Note 12: Other equity

	As At March 31, 2021	As At March 31, 2020
a) Share Application Money Pending Allotment		
Balance at the beginning of the year	-	25,405.07
Add: Share application money received from Ministry of Railways	-	3,05,384.59
Less: Shares issued during the year to Ministry of Railways	-	(3,30,789.66)
Balance at the end of the year	-	-



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

b) Retained earnings

	As At March 31, 2021	As At March 31, 2020
Balance at the beginning of the year	17,966.65	27,611.85
Add: Profit for the year after taxation as per statement of Profit and Loss	11,245.49	(9,051.82)
Less: Remeasurement of defined employee benefit plan	181.54	(137.22)
Less: Share issue transaction cost (net of tax of ₹ 160.27 lakh)	-	(456.16)
Balance at the end of the year	29,393.68	17,966.65
Total (a+b)	29,393.68	17,966.65

Note 13: Borrowings

	Non-Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Term loans (unsecured)				
- JICA	17,55,221.42	14,32,250.64	-	-
- IBRD	9,18,656.74	7,86,541.00	57,170.87	26,930.51
Total	26,73,878.16	22,18,791.64	57,170.87	26,930.51
Less: Amount disclosed under other financial liabilities as current maturities of long term borrowings (Refer note 14)	-	-	57,170.87	26,930.51
	26,73,878.16	22,18,791.64	-	-

Notes to the financial statements for the year ended March 31, 2021

(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, 2021	March 31, 2020
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	4,79,742.23	4,77,591.43
MoR for EAP Projects JICA - 209 A	Refer Note (a) below	2050	7% - Fixed	30,357.40	30,357.40
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	5,52,366.11	3,90,349.42
MoR for EAP Projects JICA - 229 A	Refer Note (a) below	2053	7% - Fixed	22,464.42	16,430.02
MoR for EAP Projects JICA - 253	Refer Note (a) below	2056	7% - Fixed	6,41,764.16	4,96,817.23
MoR for EAP Projects JICA - 253A	Refer Note (a) below	2056	7% - Fixed	8,760.35	938.38
MoR for EAP/IBRD Projects - 8066	Half Yearly	2033 in remaining 25 instalments	0.85 % - Variable	3,26,179.35	3,62,725.10
IBRD for EAP Projects- 8318	Half Yearly	2035 in 30 instalments	0.85 % - Variable	4,59,982.08	3,39,600.19
IBRD for EAP Projects- 8513	Half Yearly	2037 in 30 instalments	1.05% - Variable	1,89,666.17	1,11,146.23
Total (Refer note 13 & 14)				27,31,049.02	22,45,722.16

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

Above referred loans by JICA are being given to Ministry of Railways as an externally aided components of Gross Budgetary Support (GBS) through Ministry of Finance. JICA Loans are governed by STEP (Special Terms for Economic Partnership) conditions which provide that the eligible nationality of the supplier(s) shall be Japan in the case 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. Further not less than thirty percent (30%) of the total price of contract(s) (excluding consulting services) financed by a STEP loan shall be accounted for by either goods from Japan and services provided by a Japanese company(ies), or goods



from Japan only, depending on the nature of the project. The Company is committed to follow the STEP loan conditions.

This loan is passed on to the company on back to back basis and will be utilized for Western Dedicated Freight Corridors (WDFC). As per clarification received from MOR vide letter number 2009/Infra/3/1/26 Pt-1 dated February 06, 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. Further, the company has received clarification from Ministry of Railway vide letter no. 2021/Infra/610 dated June 17, 2021 that in terms of Cabinet approvals, only interest will be paid by Ministry of Railway to Ministry of Finance @ 7% over the loan period after the moratorium period of 10 years without any repayment of principal.

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 was to 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 was 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, the company has been identified as the Project Implementing Entity for implementation of the project. The terminal date of the loan was May 31, 2019. However, as per provision of the contract, the last date of drawl of loan was up to September 30, 2019.

Further, to facilitate the carrying out of the project by the company, GOI through the MOR is required to make the proceeds of the loan available to the company by way of MOR Loan under a Subsidiary Loan Agreement between the GOI through MOR and the company, under terms and conditions satisfactory to the Bank. The repayment of IBRD Loan ID-8066 IN along with interest will be made by the company to MOF in Rupee equivalent of the USD loan/interest amount.

The company had entered into another loan agreement with the IBRD dated December 11, 2014 to avail a loan of USD 1100 Million that was subsequently 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. The terminal date of the loan was December 31, 2020 but is open for submission of final IUFR up to June 30, 2021 i.e. with extended grace period by two months. This loan shall be utilized towards Institutional Development Activities and Design, Construction and Commissioning of 393 Kms of double track 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 charges guarantee fees which has been included in Note 22.

The company had 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 also has been reduced to USD 560 Million vide letter dated June 30, 2020. 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 also the Government of India (GOI) has given Sovereign Guarantee and charges guarantee fees which has been included in Note 22.

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note 14 : Other financial liabilities

	Non-Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Deposits/ Retention money	17,050.93	48,286.83	32,497.89	26,794.42
Current maturities of long term borrowings (Refer note 13)	-	-	57,170.87	26,930.51
Interest accrued but not due on loan	2,54,653.67	1,95,922.89	53,885.61	22,327.14
Earnest money deposit	-	-	262.69	1,216.56
Employee related liabilities	-	-	2,331.53	2,503.34
Creditors for capital expenditure (refer note 'a' below)	-	-	97,633.75	1,54,956.04
Funds received from MOR pending adjustment	-	-	12,00,803.12	4,03,744.89
	2,71,704.60	2,44,209.72	14,44,585.46	6,38,472.90

Note:

a) Creditors for capital expenditure includes ₹ 723.21 lakh (March 31, 2020 : ₹ 981.53 lakh) due to related parties.

Note 15 : Provisions

	Non-Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provision for employee benefits				
- Gratuity	-	-	-	183.37
- Leave encashment	2,455.82	2,494.61	234.21	211.80
- Leave travel concession	400.15	315.03	41.36	45.63
Provisions for project expenses (refer note below)	-	-	26,084.84	13,594.29
	2,855.97	2,809.64	26,360.41	14,035.09



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note: Movement of provision for work done but not billable

	As At March 31, 2021	As At March 31, 2020
Balance at the beginning	13,594.29	9,085.04
Provision during the year	26,084.04	13,594.29
Provision used during the year	(13,594.29)	(9,085.04)
Balance at the end	26,084.04	13,594.29

Note 16 : Other liability

	Non-Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advance for ROB/ RUB (refer note i below)	45,689.42	30,798.20	-	-
Income received in advance	754.90	538.33	-	-
Advance received from customers against deposit work	19,142.74	19,274.47	-	-
Other advances received	705.00	705.00	-	-
Advance for land (Pending for transfer to SLAO A/c) (refer note ii below)	-	-	20,027.10	8,576.20
Duties and taxes payable	-	-	11,905.10	10,407.89
	66,292.06	51,316.00	31,932.20	18,984.09

Notes:

- The company 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 February 03, 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 the company will be on 50:50 basis
- The above liability represents amount received from MOR for acquisition of land through SLAOs and the same is being kept in a separate earmarked bank account (refer note 10)

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note 17 : Trade Payables

	As At March 31, 2021	As At March 31, 2020
- Outstanding dues of micro enterprises and small enterprises	13.37	19.15
- Outstanding dues of creditors other than micro enterprises and small enterprises	7,790.77	2,758.31
	7,804.14	2,777.46

- 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, 2020 : ₹ Nil).
- c) As per Schedule III of the Companies Act, 2013 and 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, 2021	As At March 31, 2020
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	13.37	19.15
(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	0.71	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 due to the transferred to Investor Protection and Education fund.



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

- 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, to the extent available, 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.

Note 18 : Current Tax Liabilities

	As At March 31, 2021	As At March 31, 2020
Provisions for tax	2,695.86	-
[Net of Advance Tax/TDS : ₹ 135.81 lakh, (March 31, 2020 : ₹ Nil)]		
	2,695.86	-

Note 19 : Revenue from Operations

	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Sale of Services		
- Track Access Charges	28,988.84	-
	28,988.84	-

a) Disaggregated revenue information

	For the year ended March 31, 2021	For the year ended March 31, 2020
Track Access Charges(TAC)*	28,988.84	-
	28,988.84	-

*TAC for sections commissioned during the year (refer note 3) has been recognised over time, based on the best management estimates of the components as per letter no. 2011/Infra/6/10/Pt.3 dated December 03, 2018, which is subject to approval of Railway Board.

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

b) Reconciliation of Revenue from operations with Contract Price

	For the year ended March 31, 2021	For the year ended March 31, 2020
Contract Price	28,988.84	-
Less:		
Rebate and Discount	-	-
Total Revenue from operations	28,988.84	-

c) Movement in unbilled revenue

	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the begning of the year	-	-
Add: Revenue recognized during the year	28,988.84	-
Less: Invoice raised during the year	-	-
Balance at the closing of the year	28,988.84	-

The Company has no contracts where the period between the transfer of the promised goods or services to the customer and payment terms by the customer exceeds one year. Therefore, it does not adjust any of the transaction prices for the time value of money.

d) Remaining Performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at March 31, 2021 is ₹ Nil.

e) Information about major customers

Ministry of Railway is the single customer of the Company during the year ended March 31, 2021.



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note 20 : Other Income

	For the year ended March 31, 2021		For the year ended March 31, 2020	
Interest income				
- on Flexi FDR		4,550.24		4,851.03
- on Income Tax Refund		712.70		15.28
- on others		129.11		0.08
Foreign currency fluctuation gain		16,512.77		-
Rent Received for Tower Wagon		144.76		-
Miscellaneous income		283.76		628.41
Excess Provision Written Back		59.94		2.73
Recovery on sub- lease				
Rent recovery on sub-lease	163.70		340.01	
Housekeeping expenses recovered from sub-lessee	5.58		16.21	
Office Security expenses recovered from sub-lessee	11.24		30.17	
Electricity expenses recovered from sub-lessee	6.87		19.52	
Annual maintenance charges recovered from sub-lessee	0.05		2.52	
Other charges recoverable	0.45		1.48	
Composite rent and facility management charges	380.61		387.50	
	568.50		797.41	
Less: Expenses on sub- lease				
Housekeeping expenses	4.96		14.41	
Composite rent & facility management expenses	99.41		92.81	
Office repair and maintenance	0.40		1.31	
Office security expenses	9.99		26.82	
Electricity expenses office	6.10		17.35	
Annual maintenance charges	0.04		2.24	
	120.90		154.94	
		447.60		642.47
Net other income		22,840.88		6,140.00

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note 21 : Employee benefits expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	19,291.77	17,176.22
Contribution to provident and other funds	1,599.58	2,474.39
Gratuity	302.94	313.24
Staff welfare expenses	1,227.90	780.22
	22,422.19	20,744.07
Less: Transferred to development account (Refer note 27)	18,494.95	19,155.86
	3,927.24	1,588.21

Note 22 : Finance cost

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expenses on:		
EAP/JICA loan	1,09,455.66	89,347.82
IBRD loan	12,300.24	26,984.23
Lease liabilities	444.77	182.08
MSME	0.66	0.71
Income Tax/TDS	223.73	76.27
Other Taxes	2.26	536.86
Other finance cost	4,516.27	4,661.67
Exchange differences regarded as adjustment to interest cost	(11,577.63)	46,984.47
	1,15,365.96	1,68,774.12
Less: Transferred to development account (Refer note 27)	1,07,445.21	1,68,038.23
	7,920.75	735.89

Note 23 : Depreciation & Amortization Expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant & equipment (Refer note 3)	16,277.03	448.40
Depreciation of Right-of-use assets (Refer note 30)	2,665.79	2,270.00
Amortisation of Intangible assets (Refer note 4)	9.12	7.07
	18,951.94	2,725.49
Less: Transferred to development account (Refer note 27)	574.83	502.66
	18,377.11	2,222.83



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note 24 : Other expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent expense	237.64	204.16
Tours, travels and conveyance	3,745.43	4,232.24
Seminar and training expenses	542.98	1,650.27
Advertisement expenses	797.67	617.37
Housekeeping & manpower expenses	2,032.38	1,390.01
Office security expenses	410.16	243.72
Legal and professional charges	1,071.79	597.99
Corporate social responsibility	34.51	61.65
Communication expenses	197.65	217.72
Printing and stationary	195.39	161.48
Consultancy fees to consultants	598.15	522.17
Recruitment expenses	92.32	45.15
Electricity expenses	8,099.09	5,752.18
Repair and maintenance - others	797.64	362.78
Rates and taxes	2.12	9.23
Foundation day expense	10.92	28.56
Computer job work	186.46	110.41
Payment to statutory auditors *	20.85	17.09
Meeting and conference	34.94	67.97
Office expenses	84.55	139.43
Hospitality expenses	35.67	75.10
Foreign currency fluctuation loss	-	11,037.48
Miscellaneous expenses	931.01	753.26
	20,159.32	28,297.42
Less: Transferred to development account (Refer note 27)	13,733.91	14,687.99
Total	6,425.41	13,609.43

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

* Details of payment made to auditors is as follows:

	For the year ended March 31, 2021	For the year ended March 31, 2020
As statutory auditor:		
- For Audit	14.00	9.50
- For Taxation Matters	2.80	2.59
- For Other Services	4.05	5.00
	20.85	17.09

Note 25 : Components of Other Comprehensive Income

	For the year ended March 31, 2021	For the year ended March 31, 2020
Re-measurement gains/ (losses) on defined benefit plans	245.33	(185.43)
Income tax expense	(63.79)	48.21
	181.54	(137.22)

Note 26 : Earning per share

	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic earning per share		
Total profit/ (loss) for the year	11,245.49	(9,051.82)
Weighted average number of equity shares of ₹ 1,000 each (In lakh)	1,407.66	1,157.60
EPS - Basic	7.99	(7.82)
Diluted earning per share		
Total profit/ (loss) for the year	11,245.49	(9,051.82)
Weighted average number of equity shares of ₹ 1,000 each (In lakh) - Diluted	1,407.66	1,157.60
EPS - Diluted	7.99	(7.82)



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note 27 : Development account (pending capitalisation)

	For the year ended March 31, 2021		For the year ended March 31, 2020	
Employees benefit expense		18,494.95		19,155.86
Finance cost		1,07,445.21		1,68,038.23
Depreciation and amortization expense		574.83		502.66
Other expenses		13,733.91		14,687.99
Total (A)		1,40,248.90		2,02,384.74
Less:				
Liquidated damages deducted/(released)	(3,402.75)		388.98	
Interest income on retention money	4.92		348.22	
Interest on mobilization advance	2,238.98		668.82	
Interest on advances - employees	9.36		11.90	
D&G, supervision & plant estimation charges received	-		1.07	
Security deposit/EMD forfeited	2,348.53		9.16	
Sale of tender	20.43		24.15	
Gain on lease modification	80.70		-	
Loss on sale of property, plant and equipment	(15.52)	1,284.65	(20.67)	1,431.63
Total (B)		1,284.65		1,431.63
Total transferred to capital work in progress (CWIP)		1,38,964.25		2,00,953.11

Note:

Costs given under Note 21, 22, 23 and 24 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, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note 28 : Contingent liabilities, contingent assets and commitments

A. Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for ₹ 2,504,431.40 lakh (March 31, 2020 : ₹ 27,36,901.48 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 committed to follow the aforementioned loan condition.

B. Contingent Liabilities

	As At March 31, 2021	As At March 31, 2020
Claims against Company not acknowledged as debt (refer(i) below)	5,73,100.82	4,39,336.46
Other money for which the Company is contingently liable		
Disputed liability under Income Tax (refer (ii) below)	270.96	388.45
	5,73,371.78	4,39,724.91

- (i) 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.
- (ii) The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.
- (iii) 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 29 : 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.

Principal activity of the company is design, construction, operation, repair and maintenance of the Freight Corridor.



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

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

"During the year, the Company has commissioned two sections of its ongoing projects (refer note 3) Information related to each reportable segment is set out below.

For the year ended March 31, 2021	EDFC*	WDFC#	Unallocated	Total
Segment Revenue				
Revenue from operation	14,573.24	14,415.60	-	28,988.84
Other Income	-	-	22,840.88	22,840.88
Total Revenue	14,573.24	14,415.60	22,840.88	51,829.72
Employee benefits expense	1,020.59	769.35	2,137.30	3,927.24
Other expenses	3,359.92	600.91	2,464.58	6,425.41
Segment Result (EBDIT)	10,192.73	13,045.34	18,239.00	41,477.07
Depreciation and amortization expense	8,828.09	7,091.93	2,457.08	18,377.09
Finance costs	1,364.65	5,953.41	602.69	7,920.75
Profit before tax	-	-	15,179.23	15,179.23
Tax expense	-	-	3,933.72	3,933.72
Profit for the year	-	-	11,245.51	11,245.51

* New Bhadan to New Bhaupur and New Khurja to New Bhadan

Madar to New Rewari

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Comparative amounts for the year ended March 31, 2020 are not presented as company was in construction phase.

	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total Assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
As at March 31, 2021						
EDFC	21,97,186.22	-	21,97,186.22	10,32,909.71	-	10,32,909.71
WDFC	31,53,720.77	-	31,53,720.77	21,93,982.88	-	21,93,982.88
Unallocated	-	6,19,159.24	6,19,159.24	-	27,43,173.64	27,43,173.64
Total	53,50,906.99	6,19,159.24	59,70,066.23	32,26,892.59	27,43,173.64	59,70,066.23
As at March 31, 2020						
EDFC	17,79,173.95	-	17,79,173.95	9,26,692.02	-	9,26,692.02
WDFC	24,30,775.59	-	24,30,775.59	18,09,270.47	-	18,09,270.47
Unallocated	-	4,14,472.20	4,14,472.20	-	18,88,459.26	18,88,459.26
Total	42,09,949.54	4,14,472.20	46,24,421.74	27,35,962.49	18,88,459.26	46,24,421.75

C. Geographic information

The operation of the Company are mainly carried out within the country and therefore there is no reportable geographical segment.

D. Information about major contracts

Revenue from customers under 'Track Access Charges' segment which is more than 10% of the Company's total revenue is as under:

Name of the customer	For the year ended March 31, 2021		For the year ended March 31, 2021	
	Amount	%	Amount	%
Ministry of Railway (MOR)	28,988.84	100.00%	-	-



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note 30: Leases

Company as lessee

The Company 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 :	As At March 31, 2021	As At March 31, 2020
Particular	Right-of-Use: Building	Right-of-Use: Building
Balance at opening	7,541.53	2,788.16
Adjustment due to lease modification	632.27	-
Additions	706.13	7,023.37
Depreciation expense	2,665.79	2,270.00
Balance at Closing	4,949.62	7,541.53

Lease liabilities :	As At March 31, 2021	As At March 31, 2020
Particular	Right-of-Use: Building	Right-of-Use: Building
Balance at opening	7,396.06	2,517.62
Adjustment due to lease modification	712.96	-
Additions	706.13	7,023.38
Accreditation of interest	444.77	182.08
Payments	2,932.81	2,327.02
Balance at Closing	4,901.19	7,396.06
Current Part	2,637.74	2,716.09
Non-Current Part	2,263.45	4,679.97

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Amounts recognised in profit and loss

Particular	As At March 31, 2021	As At March 31, 2020
Depreciation expense of right-of-use assets (Refer Note No. 23)	2,665.79	2,270.00
Interest expense on lease liabilities (Refer Note No. 22)	444.77	182.08
Expense relating to short-term leases (Refer Note No. 24)	237.64	204.16

The maturity analysis of lease liabilities is given in Note 34.

Leases: Cash Flows

Included in cash flows from operating activities is ₹ 237.64 lakh (March 31, 2020: ₹ 204.16 lakh) and Included in cash flows from financing activities ₹ 2,488.04 lakh (March 31, 2020: ₹ 2,144.94 lakh).

Cash flows from operating activities include cash flows from short-term lease and leases of low-value assets. Cash flows from financing activities include the payment of principal portion (net of interest) of lease liabilities.

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'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 ₹ 544.31 lakh (March 31, 2020: ₹ 727.51 lakh) has been recognised and included under revenue from operations.

Note 31 : 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.



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to Provident Fund	1,011.86	822.98
Contribution to National Pension Scheme*	587.72	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 the company w.e.f. January 01, 2017. Accordingly, the company 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 started to make in financial statements from March 31, 2020 onwards.

(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, 2021. 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.

- 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, 2021 (Gratuity Funded)	As At March 31, 2020 (Gratuity Funded)
Net defined benefit liability		
Liability for Gratuity	-	183.37
Total employee benefit liabilities	-	183.37
Non-current	-	-
Current	-	183.37

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

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, 2021 (Gratuity Funded)	As At March 31, 2020 (Gratuity Funded)
Defined benefit obligation		
Balance at beginning of the year	1,541.50	1,033.55
Service Cost	290.54	293.59
Net Interest Cost	104.21	79.07
Actuarial (gain)/loss on obligation	(240.94)	185.23
Benefits paid directly by the enterprises	(30.48)	(49.94)
Balance at closing of the year	1,664.83	1,541.50

C. Cost for the year included under employee benefit

	As At March 31, 2021 (Gratuity Funded)	As At March 31, 2020 (Gratuity Funded)
Current Service Cost	290.54	293.59
Interest Cost (Net)	12.40	19.65
	302.94	313.24

D. Movement in Fair value of Plan Assets

	As At March 31, 2021 (Gratuity Funded)	As At March 31, 2020 (Gratuity Funded)
Fair value of plan assets at the beginning of the period	1,358.13	776.64
Actual return on plan assets	110.37	73.88
Fund management charges	(14.17)	(14.67)
Employer contribution	628.85	561.58
Benefits paid	(30.48)	(39.30)
Fair value of plan assets at the end of the period	2,052.70	1,358.13



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

E. Details of actuarial gain/loss recognized in OCI

	As At March 31, 2021 (Gratuity Funded)	As At March 31, 2020 (Gratuity Funded)
Actuarial gain / (loss) for the year on PBO	240.94	(185.23)
Actuarial gain /(loss) for the year on Asset	4.39	(0.20)
Unrecognized actuarial gain/(loss) for the period.	245.33	(185.43)

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

	As At March 31, 2021 (Gratuity Funded)	As At March 31, 2020 (Gratuity Funded)
Present value of Defined Benefit Obligation	1,664.83	1,541.50
Fair value of plan assets	2,052.70	1,358.13
Net Defined Benefit (assets) / liability	(387.87)	183.37

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, 2021	As At March 31, 2020
Discount rate	6.76%	6.76%
Expected rate of future salary increase	6.00%	6.00%

b) Demographic assumption

	As At March 31, 2021	As At March 31, 2020
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
Attrition at Ages	WithdrawalRate (%)	WithdrawalRate (%)
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, 2021, the weighted average duration of the defined benefit obligation was 13.65 years (March 31, 2020 : 12.90 years)

Notes to the financial statements for the year ended March 31, 2021

(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, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(68.30)	74.09	(61.77)	66.86
Expected rate of future salary increase (0.5% movement)	73.77	(68.90)	65.99	(61.99)
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, 2021	As At March 31, 2020
0 to 1 years	126.74	96.39
1 to 2 years	137.02	118.80
2 to 3 years	144.20	142.92
3 to 4 years	137.57	140.59
4 to 5 years	137.51	111.71
5 to 6 years	128.56	114.09
from 6 years onwards	853.22	817.00

(iii) Other long-term employee benefits:

a) Earned leave and half pay leave

During the year ended March 31, 2021, the Company has incurred an expense on earned leave and half pay leave amounting to ₹ 109.33 lakh (March 31, 2020 : ₹ 604.81 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, 2021, the Company has incurred an expense on leave travel concession amounting to ₹ 151.23 lakh (March 31, 2020: ₹ 226.61 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.



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note 32 : 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.

ii. Key Managerial Personnel (KMP)

Sh. Vinod Kumar Yadav	Part Time Chairman (Official) (upto December 31, 2020)
Sh. Anurag Kumar Sachan	Managing Director (upto July 31, 2020)
Sh. R. N. Singh	Managing Director (Additional Charge) (w.e.f. August 06, 2020 upto December 11, 2020) & Part time Official Director -Government Nominee-MOR (w.e.f June 20, 2019)
Sh. Ravindra Kumar Jain	Managing Director (w.e.f. December 11, 2020)
Sh. Naresh Salecha	Chief Financial Officer and Director Finance (Additional Charge) (upto May 04, 2020)
Sh. Hira Ballabh	Chief Financial Officer and Director Finance (w.e.f. May 05, 2020)
Sh. Anshuman Sharma	Director (Project Planning) (upto December 31, 2020)
Sh. Hari Mohan Gupta	Director (PP) (Additional Charge) (w.e.f. 01.01.2021) & Director (Infrastructure) (w.e.f. October 13, 2020)
Sh. Vivek Srivastava	Director (Operations & Business Development) (Additional Charge) (upto June 15, 2020)
Sh. Nanduri Srinivas	Director (Operations & Business Development) (w.e.f. June 15, 2020)
Sh. R. P. Gupta	Part-time Official -Government Nominee-Niti Aayog (w.e.f March 11, 2020 upto May 31, 2020)
Sh. B. Ramana Kumar	Independent Director (w.e.f July 29, 2019)
Sh D.S. Rana	Director (infrastructure) (w.e.f. October 27, 2014 upto September 18, 2019)
Sh. Sushant Kumar Mishra	(Part-time Official Director -Government Nominee-MOR (w.e.f June 8, 2017 upto June 20, 2019)
Sh. Yaduvendra Mathur	Part-time Official -Government Nominee-Niti Aayog (w.e.f June 8, 2017 upto March 10, 2020)
Ms. Meenu Kapoor	Company Secretary (w.e.f March 31, 2008)

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

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

Name of Related Party	Nature of Transaction	For the year ended	
		March 31, 2021	March 31, 2020
Ministry of railways & its constituent	Fund Received from MOR	11,20,029.00	9,00,364.00
	Recoverable from MOR towards land facilitation expenses	1,158.55	980.97
	Advance given for shifting of utilities, capital advance, ROB Works and construction of flats, road, Tower Wagon	52,301.07	15,173.13
	Advance received for ROB/RUB	29,722.75	3,950.00
	Advance received for Utility Shifting for Cost Sharing	25.48	-
	Advance given for ROB/RUB	2,576.87	2,358.84
	Track Access Charges from MoR	28,988.84	-
	Rental Income from MoR	221.91	475.95
Ministry of Finance	Guarantee Fee	7,917.83	5,426.29
Other entities	BSNL - For shifting of utilities & capital works	-	86.64
	PGCIL - For shifting of utilities, capital works	30.37	-
	PGCIL - Income as Advance for Way Leave and Other	5.00	17.96
	RailTel corporation Ltd-For shifting of utilities & capital works	4.10	74.82
	NHAI - For shifting of utilities, capital works	-	7,700.00
	NHAI - Income as Advance for Way Leave and Other	7.43	6.20
	IOCL - For shifting of utilities & capital works	766.24	5.56
	"IOCL - Income as Advance for Way Leave and Other"	-	15.94
	"BPCL - Income as Advance for Way Leave and Other"	21.28	-
	CRWC New Delhi - For shifting of utilities & capital works	86.97	-
	GAIL - For shifting of utilities & capital works	27.68	919.62
	Rites Ltd - For shifting of utilities & capital works	156.01	129.09
	Rites Ltd - Project Management Consultancy services	5,709.17	1,963.29
	ONGC - For shifting of utilities & capital works	-	93.89
	CONCOR - Application money	-	30.00
	CONCOR - Advance for Deposit Work & Other	435.00	12,608.80
	NHAI-Advance for Deposit Work & Other	2,329.50	-
	Integral Coach Factory, Chennai for Capital Works	1,355.77	720.25
Total		12,53,876.82	9,53,101.26



Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended	
		March 31, 2021	March 31, 2020
Remuneration to Key Managerial Personnel	a) short-term employee benefits	187.39	160.54
	b) post-employment benefits	(4.60)	1.46
	c) other long-term benefits	(2.21)	2.18
	Total	180.58	164.18
	Other expenses- legal (sitting fees)	2.80	5.20
	Total	2.80	5.20
Outstanding balances with related parties			
Ministry of railways & its constituent	Recoverable Balances		
	Expenditure on PETS survey - recoverable from MOR	0.10	0.10
	Recoverable from MOR towards Track Access Charges	28,988.84	-
	Recoverable from MOR towards land facilitation expenses	4,679.13	3,522.61
	Recoverable from MOR Rent and other Expense	458.57	517.10
	Shifting of utilities, capital advance, ROB works and construction of flats	2,01,555.21	2,08,127.38
Other entities	BSNL - shifting of utilities & capital works	937.91	899.21
	ONGC - shifting of utilities & capital works	1,645.39	1,645.39
	PGCIL - shifting of utilities & capital works	28,138.76	33,374.22
	RailTel corporation Ltd -shifting of utilities & capital works	1,612.16	1,755.43
	NHAI - shifting of utilities & capital works	1,936.96	1,936.96
	IOCL - shifting of utilities & capital works	13,280.64	12,514.40
	CRWC New Delhi - shifting of utilities & capital works	1,280.85	1,193.88
	GAIL - shifting of utilities & capital works	1,123.51	1,248.28
	GAIL - Refund of advance given received back	140.21	-
	'Rites Ltd - shifting of utilities & capital works	496.77	340.76
	RVNL - shifting of utilities & capital works	2,208.85	-
	CONCOR for Application money, Advance For Deposit Work & Other	-	555.87
	Integral Coach Factory, Chennai for Capital Works	1,355.77	1,355.77
	Recoverable from other entities	8.41	91.20
		2,89,848.04	2,69,078.56

Notes to the financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended	
		March 31, 2021	March 31, 2020
Ministry of railways & its constituent	Payable Balances		
	Funds received from MOR pending adjustment	12,00,803.12	4,03,744.89
	Expenditure on land acquisition	20,027.10	8,576.20
	Advance received for ROB/RUB	39,841.57	28,663.82
	Rites Ltd - payable for project related work	690.55	981.53
	MOR - payable for project related work & Other Services	42.25	142.98
	IOCL - For Way leave, D&G Charges and Other	15.94	15.94
	NHAI- For Way leave, D&G Charges and Other	50.55	43.12
	NHAI- For Deposit Work Advance	2,828.09	2,939.68
	MGL-For Deposit Work Advance	101.01	-
	PGCIL - For Way leave, D&G Charges and Other	160.73	155.73
	CONCOR - For Advance for Deposit Work	193.05	193.05
	CONCOR - For Advance for Deposit Work and Application Money	15,885.36	15,890.53
	BPCL For Way leave, D&G Charges and Other	21.28	-
	Payable to other entities	3.56	-
	Total	12,80,664.16	4,61,347.47

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 33 : Corporate Social Responsibility

	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) 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
(ii) Amount spent during the year		
i) Construction/acquisitions of any asset	-	-
ii) For purposes other than (i) above		
a) Payment for eradicating hunger, poverty and promoting preventive healthcare and sanitation projects	14.59	55.14
b) Payment for rural sports, nationally recognized sports, Paralympic sports and Olympic sports	-	-
c) Payment for educational & employment enhancing vocation skills	15.89	6.51
d) Others	4.03	-
	34.51	61.65
(iii) Amount yet to be spent	-	63.84



Dedicated Freight Corridor Corporation of India Limited

Notes to financial statements for the year ended March 31, 2021

(All amounts in ₹ lakh, unless otherwise stated)

Note 34 : Financial instruments - Fair values and risk management

I. Fair value measurements

A. Financial instruments by category	As At March 31, 2021			As At March 31, 2020		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Non-Current						
Other non-current financial assets (Refer Note 5)						
-Security Deposits Considered Good	-	-	2,073.77	-	-	1,796.22
-Security Deposits Considered Doubtful	-	-	146.36	-	-	146.36
-Others -	-	-	106.91	-	-	110.05
Current						
Cash and cash equivalents (Refer Note 9)	-	-	26,205.84	-	-	25,667.00
Bank balances other than above (Refer Note 10)	-	-	20,567.02	-	-	9,089.06
Other current financial assets (Refer Note 5)						
-Earnest Money Deposit	-	-	-	-	-	7.50
-Interest accrued on fixed deposits	-	-	95.23	-	-	79.53
-Expenditure on land acquisition - recoverable from MOR	-	-	4,679.13	-	-	3,522.61
-Expenditure on PETS survey - recoverable from MOR	-	-	0.10	-	-	0.10
-Other recoverable	-	-	7,433.20	-	-	665.15
-Security deposits	-	-	169.02	-	-	119.41
-Employee advances	-	-	110.96	-	-	215.34
-Unbilled Revenue	-	-	28,988.84	-	-	-
-Advances to contractors/consultants	-	-	817.15	-	-	556.24
	-	-	91,393.53	-	-	41,974.57
Financial liabilities						
Non-Current						
Borrowings (Refer Note 13)	-	-	26,73,878.16	-	-	22,18,791.64
Lease liabilities (Refer Note 30)	-	-	2,263.45	-	-	4,679.97
Other non-current financial liabilities (Refer Note 14)	-	-	2,71,704.60	-	-	2,44,209.72
Current						
Borrowings (Refer Note 14)	-	-	57,170.87	-	-	26,930.52
Trade Payables (Refer Note 17)	-	-	7,804.14	-	-	2,777.46
Other current financial liabilities (Refer Note 14)						
- Earnest money deposit	-	-	262.69	-	-	1,216.56
- Employee related liability	-	-	2,331.53	-	-	2,503.34
- Deposits/ retention money	-	-	32,497.89	-	-	26,794.42
- Creditors for capital expenditure	-	-	97,633.75	-	-	1,54,956.05
- Funds received from MOR pending adjustment	-	-	12,00,803.12	-	-	4,03,744.89
- Interest accrued but not due on loan	-	-	53,885.61	-	-	22,327.14
Lease liabilities (Refer Note 30)	-	-	2,637.74	-	-	2,716.09
	-	-	44,02,873.55	-	-	31,11,647.80

B. Fair value hierarchy

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

- (a) recognised and measured at fair value and
- (b) 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, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets				
Employee advances	-	-	106.91	106.91
Total financial assets	-	-	106.91	106.91
Financial liabilities				
Borrowings	-	-	26,73,878.16	26,73,878.16
Lease liabilities (Refer Note 30)	-	-	4,901.19	4,901.19
Deposits/ Retention money	-	-	17,050.93	17,050.93
Total financial liabilities	-	-	26,95,830.28	26,95,830.28
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
Financial assets				
Employee advances	-	-	110.05	110.05
Total financial assets	-	-	110.05	110.05
Financial liabilities				
Borrowings			22,18,791.64	22,18,791.64
Lease liabilities (Refer Note 30)	-	-	7,396.06	7,396.06
Deposits/ Retention money	-	-	48,286.83	48,286.83
Total financial liabilities	-	-	22,74,474.53	22,74,474.53



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.

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, 2021"	"As At March 31, 2020"	"As At March 31, 2021"	"As At March 31, 2020"
Financial assets measured at amortized cost				
Employee advances	106.91	110.05	106.91	110.05
	106.91	110.05	106.91	110.05
Financial liabilities measured at amortized cost				
Borrowings	26,73,878.16	22,18,791.64	26,73,878.16	22,18,791.64
Lease liabilities (Refer Note 30)	4,901.19	7,396.06	4,901.19	7,396.06
Deposits/ Retention money	17,050.93	48,286.83	17,050.93	48,286.83
	26,95,830.28	22,74,474.53	26,95,830.28	22,74,474.53

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.

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.

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.

Other receivables

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. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note no. 5.



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, 021"	"As At March 31, 2020"
Loan from JICA	3,63,639.13	6,70,295.56
Loan from IBRD	2,26,947.98	5,28,650.93
	5,90,587.11	11,98,946.49

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

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 31.23 years (March 31, 2020 - 31.98 years) for JICA loan and have an average maturity of 14.80 years (March 31, 2020 - 15.43 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.

Contractual cash flows						
	Carrying Amounts 31-Mar-21	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	27,31,049.02	27,42,269.86	57,170.87	63,651.23	2,10,394.78	24,11,052.98
Deposit/ retention money	49,548.82	49,548.82	32,497.89	17,050.93	-	-
Lease liabilities	4,901.19	4,901.19	2,637.74	2,263.45	-	-
Interest accrued but not due on loan - JICA	3,05,378.55	3,03,920.30	50,724.88	13,867.50	62,884.55	1,76,443.37
Earnest money deposit	262.69	262.69	262.69	-	-	-
Employee related liability	2,331.53	2,331.53	2,331.53	-	-	-
Trade Payables	7,804.14	7,804.14	7,804.14	-	-	-
Others payables	97,633.75	97,633.75	97,633.75	-	-	-
Funds received from MOR pending adjustment	12,00,803.12	12,00,803.12	12,00,803.12	-	-	-
Interest accrued but not due on loan from IBRD	3,160.73	3,160.73	3,160.73	-	-	-
Total non-derivative liabilities	44,02,873.54	44,12,636.13	14,55,027.34	96,833.11	2,73,279.33	25,87,496.35
Contractual cash flows						
	Carrying Amounts 31-Mar-20	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	22,45,722.16	22,48,449.93	26,930.51	49,627.39	1,67,429.71	20,04,462.31
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	2,10,900.25	2,13,117.74	14,977.36	13,851.68	49,391.38	1,34,897.32
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	1,54,956.04	1,54,956.04	1,54,956.04	-	-	-
Funds received from MOR pending adjustment	4,03,744.89	4,03,744.89	4,03,744.89	-	-	-
Interest accrued but not due on loan from IBRD	7,349.78	7,349.78	7,349.78	-	-	-
Total non-derivative liabilities	31,11,647.79	31,17,617.98	6,43,963.57	1,14,398.65	2,19,179.50	21,40,076.24



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.

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 uses 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:

Particulars		Amount in Foreign Currency		Amount in INR	
		As At March 31, 2021	As At March 31, 2020	As At March 31, 2021	As At March 31, 2020
Financial liabilities					
Borrowings	USD	13,579.66	10,901.06	9,87,048.43	8,16,199.29
	JPY	-	-	-	-
Others payables	USD	11.13	62.01	809.09	4,642.84
	JPY	45,930.06	66,504.18	30,456.22	45,941.09
Interest accrued but not due on loan from IBRD	USD	43.48	98.16	3,160.73	7,349.78
	JPY	-	-	-	-

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
USD 1	73.92	70.86	72.69	74.87
JPY 1	0.70	0.65	0.66	0.69

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
March 31, 2021				
USD (1% movement)	(7,333.54)	7,333.54	(7,333.54)	7,333.54
JPY (1% movement)	(225.38)	225.38	(225.38)	225.38
March 31, 2020				
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

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, 2021 and March 31, 2020, 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, 2021	As At March 31, 2020
Fixed-rate instruments		
Financial liabilities	17,55,221.42	14,32,250.64
	17,55,221.42	14,32,250.64
Variable-rate instruments		
Financial liabilities	9,87,048.43	8,16,199.29
	9,87,048.43	8,16,199.29

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
March 31, 2021		
Fixed-rate instruments	(45,042.74)	61,210.59
Fair flow sensitivity (net)	(45,042.74)	61,210.59
March 31, 2020		
Fixed-rate instruments	(34,977.86)	47,841.93
Fair flow sensitivity (net)	(34,977.86)	47,841.93

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.

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
March 31, 2021				
Variable-rate instruments	(7,304.16)	7,304.16	(7,304.16)	7,304.16
Cash flow sensitivity (net)	(7,304.16)	7,304.16	(7,304.16)	7,304.16
March 31, 2020				
Variable-rate instruments	(6,039.87)	6,039.87	(6,039.87)	6,039.87
Cash flow sensitivity (net)	(6,039.87)	6,039.87	(6,039.87)	6,039.87

Note 35 : Capital management

Company is in construction phase (except for sections which has been commissioned during the year) 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.

	As At March 31, 2021	As At March 31, 2020
The Company's adjusted net debt to equity ratio was as follows:		
Borrowings (Refer Note 13)	27,31,049.02	22,45,722.16
Less: cash and cash equivalents	26,205.84	25,667.00
Net debt	27,04,843.18	22,20,055.16
Equity share capital (Refer Note 11)	14,07,662.50	14,07,662.50
Other equity (Refer Note 12)	29,393.68	17,966.65
Total Capital	14,37,056.18	14,25,629.15
Capital and net debt	41,41,899.36	36,45,684.31
Gearing ratio	65.30%	60.90%

Note 36 : 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. The amount shown in the financial statement under Capital Work in Progress/Property, Plant & Equipment represents the expenditure incurred by the company on construction of Eastern and Western Dedicated Rail Freight Corridors. However, C&AG had different view on such classification in the financial statement. Accordingly, 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. Opinion of EAC was received vide its letter number TD/EAC/1694/19 wherein EAC has opined that if DFCCIL is not merely acting as an agent for MOR and has significant level of independence in providing the management of the infrastructure, the consideration received by DFCCIL would result in consideration being classified partly as financial asset and partly as intangible asset. EAC is of the view that the DFCCIL is not a public sector entity envisaged under Appendix D of Ind AS 115 on drawing an analogy that it is a private sector entity. Accordingly, the arrangement in the extant case is a public-to-private arrangement.

The Company requested EAC to review its opinion and submitted additional facts. However, EAC has informed that the opinion issued earlier is appropriate and does not call for any revision.

The management is of the opinion that since DFCCIL is a public sector entity and not a private sector entity. Accordingly, the arrangement in our case is a public-to-public arrangement. Thus the operations are not covered as envisaged under Appendix D of Ind AS 115. The company has the mandate to create, construct, maintain and operate the assets and it works on the going concern concept and it cannot be construed that Railway is the owner of the DFCCIL assets, though Railways owns the 100% equity of DFCCIL. Accordingly, the Company is continuing to recognize the expenditure on EDFC/WDFC corridors as capital work in progress / property, plant & equipment.

The Company has however now approached MOR vide letter no. HQ-FIN0ACTS(OTHR)/4/2020 dated March 18, 2021 and May 18, 2021 seeking appropriate instructions in the matter. MOR is yet to issue any clarifications in the matter.

Note 37: Impact of COVID-19 on the Company

There has been a second wave of the pandemic in the last few months in some states, the company continues to closely monitor the situation. The company has assessed the possible impact of COVID-19 in preparation of its financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non financial assets and impact on revenue and costs. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID-19, the company has, at the date of approval of the financial statements, used internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of COVID-19 on the company's financial statements may differ from that estimated as at the date of approval of the same. Given the criticality associated with the nature, condition and duration of COVID-19, the impact assessment on the company's financial statements will be continuously made and provided for as required.

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 38 :

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 the company 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 39 : Figures have been rounded off to nearest lakh upto two decimals thereof, except otherwise stated.

Note 40 : The financial statements of the Company for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on July 30, 2021.

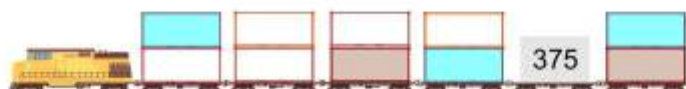
**"For and on behalf of Board of Directors of
Dedicated Freight Corridor Corporation of India Limited"**

Place of Signature: New Delhi
Date: 30th July, 2021

Sd/-
(Ravindra Kumar Jain)
Managing Director
DIN-08641707

Sd/-
(Hira Ballabh)
Director Finance & CFO
DIN-08738632

Sd/-
(Meenu Kapoor)
Company Secretary
ACS-18954



S.R. DINODIA & Co. LLP,**Chartered Accountants**

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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, 2021, 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, 2021, the profit 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. 36 to the financial statements regarding an opinion of Expert Advisory Committee (EAC) of ICAI. The existing accounting treatment for amounts incurred towards construction of Eastern and Western Rail Freight Corridors which are shown as Capital Work in Progress/Property, Plant &



Equipment in the attached financial statements are not in conformity with opinion of EAC. We have been informed that the Company has sought additional clarification from MOR 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:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, Statement of Change in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) 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.
 - e) 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.
 - f) 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"**
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. 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 28(B) of the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which

there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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: 21083689AAAADN4023

Place of Signature: New Delhi
Date: 30.07.2021



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, 2021

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.Server 9" 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. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	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 (grants/subsidy etc.) 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

Place of Signature: New Delhi
Date: 30.07.2021

Sd/-

(Sandeep Dinodia)
Partner
Membership Number 083689
UDIN: 21083689AAAADN4023

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, 2021, 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. As explained by the Company, due to COVID-19 pandemic, physically verification of its fixed assets scheduled for the year was partially conducted wherein no material discrepancy was noticed. The Company will reschedule its programme based on the conditions in the subsequent year.
 - 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 corridors. During the year, the Company has commenced operations for its two sections. However we have been informed that currently the Company does not have any inventory, 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:

- According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Service Tax, Goods and Service Tax and any other material statutory dues applicable to it with the appropriate authorities except deposit of advance tax as per Income Tax Act 1961. We have been informed that Employee's State Insurance Scheme, Sales Tax, Value Added Tax, 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, Service Tax, Cess and any other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- According to the information and explanations given to us, there were no dues of Income Tax or Service 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	0.58	2009-10	ACIT-TDS
Income Tax Act, 1961	Income Tax	0.48	2013-14	ACIT-TDS
Income Tax Act, 1961	Income Tax	2.70	2014-15	ACIT-TDS
Income Tax Act, 1961	Income Tax	44.15	2017-18	CIT (Appeals)
Income Tax Act, 1961	Income Tax	80.95	2019-20	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 has not issued 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: 21083689AAAADN4023

Place of Signature: New Delhi
Date: 30.07.2021



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, 2021 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, 2021, 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: 21083689AAAADN4023

Place of Signature: New Delhi
Date: 30.07.2021





Dedicated Freight Corridor

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New Delhi – 110001, Phone No. 91 - 11 – 23454890, Fax No. 91-11-23454701
Corporate Identity Number (CIN)-U60232DL2006GOI155068