डेडीकेटेड फ्रेट कोरीडोर

On the Right track

Robust, Resolute & Responsive Infrastructure

Dedicated Freight Corridor Corporation of India Limited
Annual Report 2021-22

For more details visit
https://dfccil.com

Viaduct 92 on Rewari - Dadri Section of WDFC.

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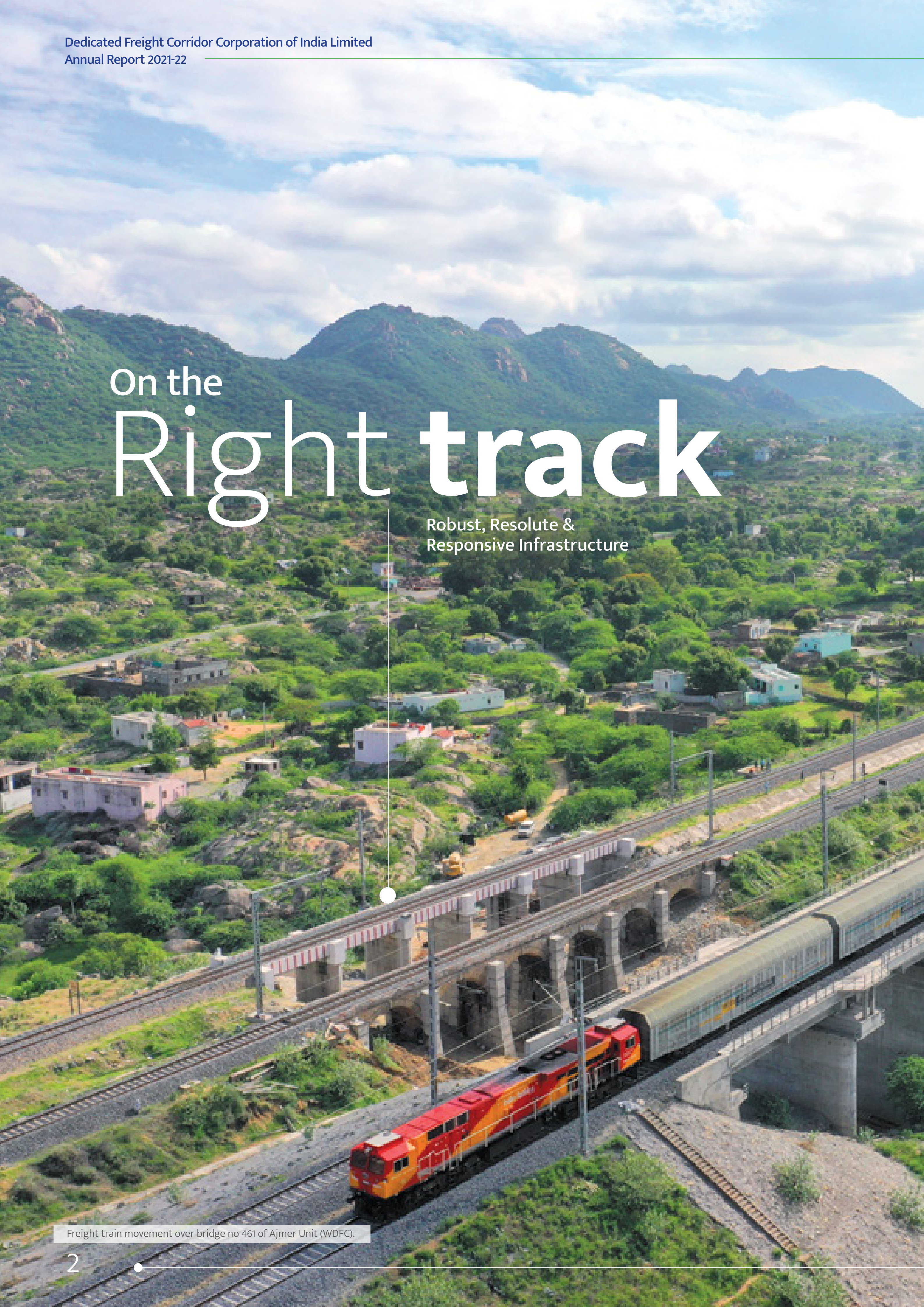
On the Right **track**

Robust, Resolute &
Responsive Infrastructure



Freight train movement over bridge no 461 of Ajmer Unit (WDFC).

"भारत के प्रगति एवं समृद्धि के कोरीडोर"

नरेंद्र मोदी
माननीय प्रधानमंत्री

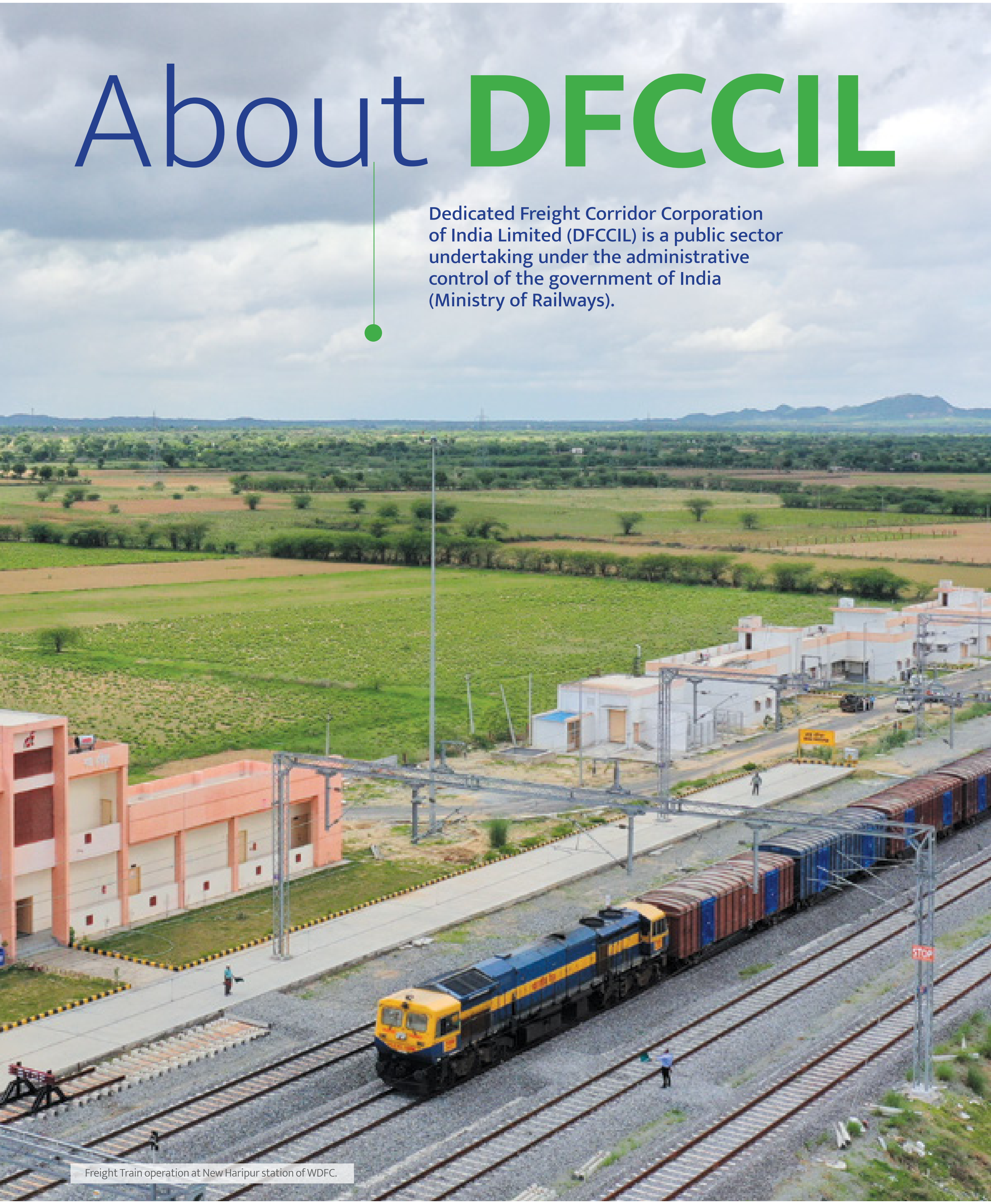
With India's incessant growth as one of the largest economies in the world, the demand for freight transport has also increased at a phenomenal rate. To cater to the additional demand, DFCCIL is keen to play its part in the nation's development.

We believe in a coherent vision to establish an effective freight corridor that will aid connectivity and improve logistics performance within the country. With a clear focus on coordinated action, advanced technology and infrastructural solutions, we are resolutely uncovering opportunities to meet the aspirational demands of a progressive nation.

Going forward, our efforts to support the government's initiatives for creating efficient freight corridors keep us on the right track to mobilise growth and lay the foundation for continued success.

About DFCCIL

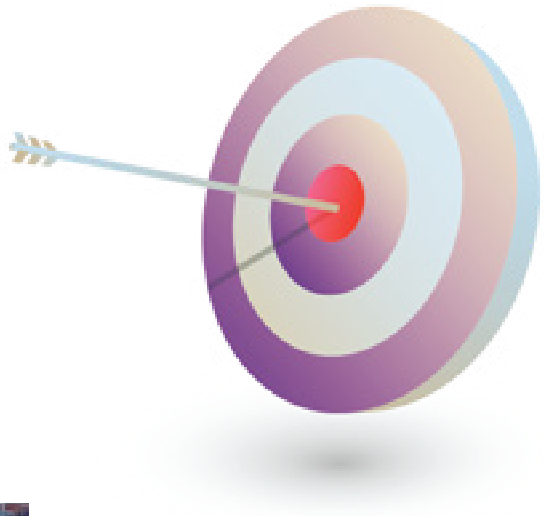
Dedicated Freight Corridor Corporation of India Limited (DFCCIL) is a public sector undertaking under the administrative control of the government of India (Ministry of Railways).



Freight Train operation at New Haripur station of WDFC.

The golden quadrilateral and the diagonal linking the four major metropolitan cities of Delhi, Mumbai, Chennai and Howrah are strategically important to Indian Railways. This route comprises 16% of the total route but, carries 52% of passenger traffic and 58% of freight traffic. The Eastern corridor (Kolkata-Delhi) and the Western corridor (Mumbai-Delhi) were highly saturated. To ease congestion on these routes, a Dedicated Freight Corridor (DFC) was developed.

DFC was formed to decongest the saturated road network and promote rail freight transport while ensuring efficiency and enabling significant reduction of Green House Gas (GHG) emissions.



Mission

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.

To set up Multimodal logistic parks along the DFC to provide complete transport solutions to customers.

To support the government's initiatives toward ecological sustainability by encouraging users to adopt railways as the most environment friendly mode for their transport requirements.

Eastern & Western dedicated freight corridor

1,277 Km
DFC operational as of 31st March 2022

4,164 TKm
Track lining completed as of 31st March 2022

100 kmph
Train speed potential on DFC

3,110 TKm
OHE wiring completed as of 31st March 2022

INR 89,436 Crore
Project expenditure

Eastern Dedicated Freight Corridor (EDFC) Plan

2,061
Bridges and RFOs

68
Crossing stations

21
Junction stations

Western Dedicated Freight Corridor (WDFC) plan

2,582
Bridges and RFOs

49
Crossing stations

16
Junction stations

Rail Fly Over (RFO) in Khurja - Bhaupur section of EDFC.

Freight **Train**

Operation in Haripur - Bangurgram section of WDFC

Double stack container train movement over bridge no 490 of WDFC near Bar village.

"डीएफसीसीआईएल रेल मार्ग पर डेढ़ किलोमीटर लंबी डबल स्टैक मालगाड़ी चलने का नया कीर्तिमान"

अश्विनी वैष्णव
केंद्रीय मंत्री, रेल, संचार, इलेक्ट्रॉनिक्स एवं सूचना प्रौद्योगिकी मंत्रालय

Chairman's

The DFC model is creating superior value for its stakeholders. Government is striving to enhance the Rail share in country's freight transport from 27% to 45% as per National Rail Plan on economic and environmental considerations, in which DFCs will play a very important role owing to the reduced transit time and lower logistics cost. The uninterrupted long-runs and reduced transit time will result in need for lesser rolling stock and train crew, hence optimising the resources.

During the year under review, the Company has achieved CAPEX of INR 14,649 Crore (including land), which is the highest ever in the history of DFCCIL.

It is a matter of immense pleasure for me to welcome you to the 16th Annual General Meeting of the Company, as we navigate the extraordinary times that we all are going through. Even though we have emerged from the pandemic, it continues to draw uncertainty going forward.

Amidst these challenging times, infrastructure sector remains pivotal to drive country's future economic growth. Several economic reforms and new projects have been launched by the government with an integrated approach to infrastructure development and focus on speed, quality and sustainability. A robust infrastructure framework is critical, taking into consideration the multiplier effect it has on economy.

In the backdrop of robust freight loading in 2021-22, the Indian Railways has set an ambitious freight target of 3,000 million tonne for 2027-28. More strategic initiatives and policy changes are being introduced in IR along with capacity enhancement works to attract modal shift.

The commissioning of Dedicated Freight Corridors has become the cornerstone of infrastructure development in our country. Be it Gati Shakti framework or National Infrastructure Pipeline (NIP), the role of DFCs is critical for the development of new manufacturing and service hubs, industrial parks and logistics terminals. DFCs will act as the transport backbone of all major infrastructural projects in the

Message

country.It also connects the interior parts of country with ports and industrial hubs, providing unprecedented connectivity and market access to local industries. This will result in equitable growth, whereby the positive impact of development will trickle down to backward areas. Higher speeds and longer trains on DFCs will increase the throughput of freight transport and reduce logistics cost due to lower turnaround time of rolling stock and crew requirement. Taking into consideration such benefits, the rewards of DFCs are enormous in the near medium-term.

The DFC model is creating superior value for its stakeholders. Government is striving to enhance the Rail share in country's freight transport from 27% to 45% as per National Rail Plan on economic and environmental considerations, in which DFCs will play a very important role owing to the reduced transit time and lower logistics cost. The uninterrupted long-runs and reduced transit time will result in need for lesser rolling stock and train crew, hence optimising the resources. The DFC will result in shifting of freight traffic over it and will thus spare capacity for the Indian Railways which will enable more passenger rail services. The DFC is also eliminating more than 850 level crossings across golden quadrilateral, enhancing overall safety.

The DFC will facilitate easy trade by reducing the transit time to less than 24 hours from ports of western India to Delhi NCR. It is also enabling in the development of logistics hub along the corridor, reducing transportation costs, making indigenous products more competitive in the international market.

Achievements of the year

During the financial year 2021-22, recurrent Covid waves impacted the on-going projects. More than 2000 people associated with DFCCIL were infected and unfortunately, we lost 30 precious lives in this pandemic. Lockdowns and paranoia of the pandemic disrupted the routine way of working and affected each one of us at an individual level. But I am pleased to state that even in the face of such challenging environment, DFCCIL continued to march ahead with the project and completed several milestones despite Covid challenge.

In financial year 2021-22, DFCCIL commissioned 620 km in different stretches, in WDFC and EDFC. Madar-Palanpur (353 km) double line section of WDFC was commissioned in October 2021. New DDU to New Sonnagar (137 Km) section and Rooma-Sujatpur section (130 km) of EDFC was completed in March 2022.

DFCCIL conducted successful trial run of Diesel loco between New Palanpur to New Mehsana on 31st March 2022. On the same day, another Diesel loco trial was successfully conducted in the 35km stretch of Rewari-Dadri section of WDFC. Total scope of Dedicated Freight Corridors is 2,843 km route (additional 538 km Sonnagar-Dankuni section is planned to be executed through PPP mode). At the end of the financial year 2021-22, 45% of DFCs stretching across 1,277 km had become operational.

In newly commissioned sections, more than 25,000 trains have already run, transporting more than 21 billion GTKM of traffic up to March 2022. Average train speed of more than 55 kmph was achieved on DFCs, which is substantially higher than the average speed of freight trains on Indian Railways network. Operation of DFCs has brought in significant relief to Indian Railways by sparing capacity to run more coaching trains and availability of sufficient

maintenance blocks for better maintenance of assets, a significant development that has improved the safety performance of Indian Railways. Shifting of freight traffic to DFC has helped in smooth operation of passenger services in NCR & NWR especially during foggy weather.

During the year under review, the Company has achieved CAPEX of INR 14,649 Crore (including land), which is the highest ever in the history of DFCCIL, and 9% more than the previous year, is despite losing crucial working season due to COVID-19 related lockdowns and ban on construction activity. The project achieved overall financial progress of 80% up to 31st March 2022.

Fast-tracking innovation

Track linking using state-of-the-art New Track Construction (NTC) machines is being carried out on the DFC network. OHE wiring by Mechanized wiring train has also started for the first time in India in DFCs and 3110 track km OHE wiring has been completed, as on 31st March 2022.

This mega project involved land acquisition of 11,827 Hectares, which the company has successfully completed, barring few issues in small patches of land in different states.

Standing tall in face of adversity

Contractors were badly affected by COVID-19 pandemic and related lockdowns and restrictions. This severely affected labour availability and resulted in stressed cash flow of contractors, thereby affecting project progress. The management proactively took many initiatives to ease the cash flow to contractors, which included breaking down of cost centres, additional mobilization advance, simplification of billing process, release of 'Performance Guarantee' in proportion with progress of work etc., leading to faster execution of projects.

Operational highlights

Dedicated Freight Information System (DFIS) was made operational at DFCCIL. It is an in-house IT project for real time monitoring of train running and operations. It is fully integrable with multi TMS (Alstom, Hitachi, Kyson, Siemens), FOIS and other future projects. This will enable monitoring of train passing activity and inspection of Stations remotely.

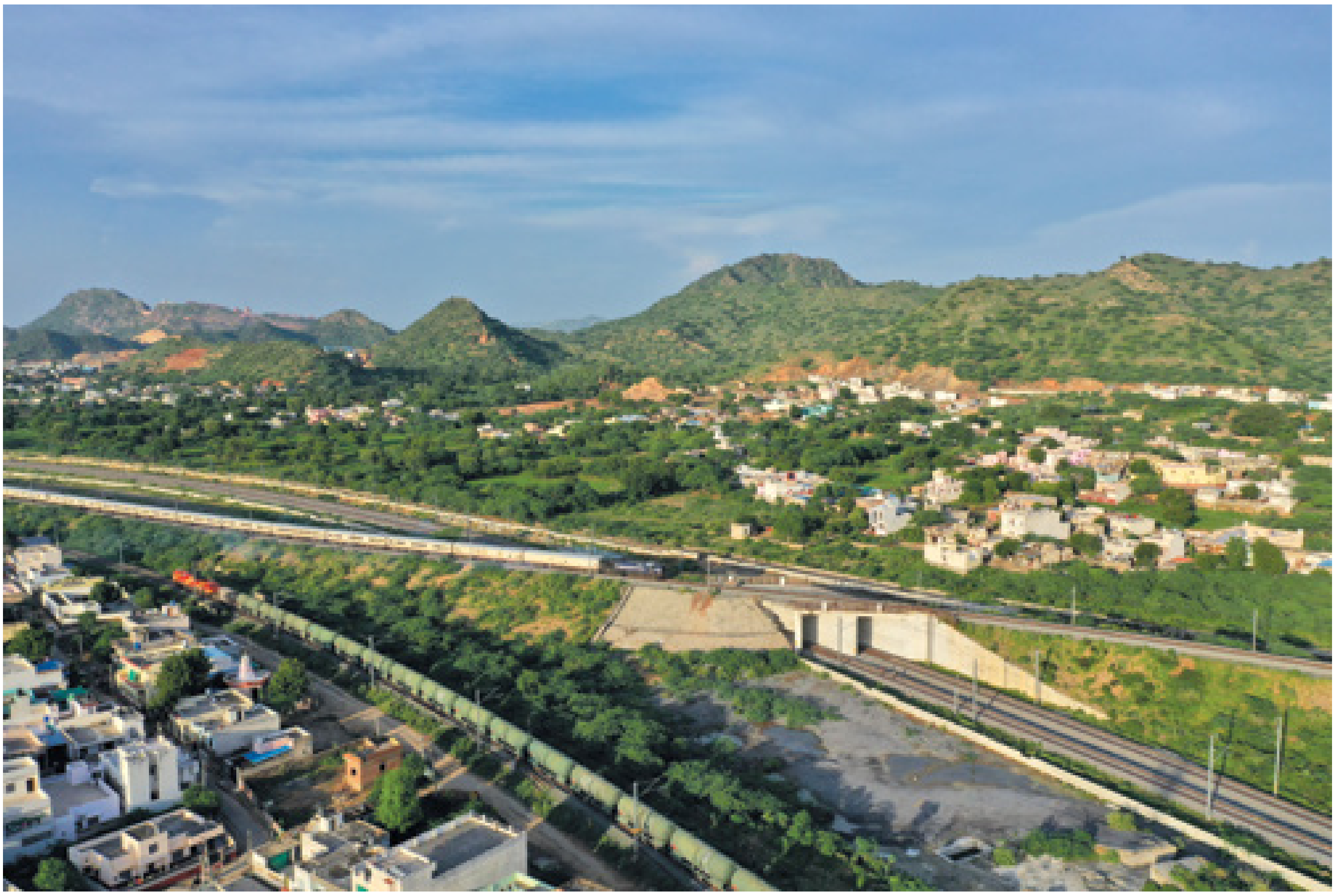
DFCCIL also took an initiative for erecting noise barriers in consultation with the World Bank, in sensitive areas like schools and hospitals, located within 100m of the DFC Track centre during FY 2021-22.

Future DFCs

The government has approved the preparation of Detailed Project Reports for three new Dedicated Freight Corridors connecting mineral rich regions and ports of Eastern India including East-Coast Corridor from Kharagpur to Vijaywada, East-West Corridor from Palghar to Dankuni and North-South Corridor connecting Itarsi to Vijaywada.

Business Development

Your Company needs to play a pivotal role in modal shift. In this regard, Railway Board has accorded approval for the Gati Shakti



Cargo Terminal (GCT) policy of IR on DFCCIL also.

A total of 27 stations have been notified till 31st March 2022 for goods handling and loading. At 9 of these, 418 rakes were loaded, earning INR 23 Cr during the FY 2021-22. Innovative Trucks on Trains (ToT) service was started between New Rewari (Haryana) to New Palanpur (Gujarat) section on 12th August 2021. More than 167 ToT services have been successfully completed as on 31st March 2022 and a sum of approximately INR 10.51 Cr was realised during the FY 2021-22. Environment friendly ToT services have significantly reduced transit time to 12-15 hrs from more than 30 hrs in this stretch and reduced carbon emissions and congestion on roads.

Upgradation of feeder routes, including upgradation of Tracks, Bridges, Overhead wiring etc. are being undertaken by Indian Railways for seamless connectivity with DFC. Action plan for running of Double Stack containers on the feeder routes have been prepared to enable smooth running of Double Stack containers to and fro, from the ports of Kandla, Mundra and Pipavav.

Corporate Governance

The Company is committed to uphold the highest standards of business ethics and values. The Company is adhering to the provisions contained in the Companies Act, 2013 and DPE Corporate Governance Guidelines 2010.

A certificate on Compliance of conditions of Corporate Governance under the DPE Guidelines on Corporate Governance 2010 forms part of the Directors' Report. Also, the Company has received highest credit ratings from various Credit Rating Agencies.

Acknowledgements

I must place on record my sincere appreciation for the Infrastructure Directorate of Ministry of Railways, Zonal Railways, and other Ministries of the Government of India and State Governments, World Bank, JICA, other Bankers, business associates and other stakeholders of the company for their continued support.

Vinay Kumar Tripathi
Chairman

Our Growth

PM Gatishakti

The national master plan of PM Gatishakti was formulated to break departmental silos and start planning for a more holistic approach towards infrastructure development. The master plan will play a huge role in improving infrastructure efficiency through the Unified Logistics infrastructure Project (ULIP) and is also expected to reduce logistics costs. It is anticipated to add impetus to the Dedicated Freight Corridor project.

Track movement in Haripur yard.

Automatic OHE wiring machine.

Unique Offerings

Our expertise and intervention will enable long-haul operation (maximum speed 100 Kmph) with train length of 1,500 metres or even more, and even facilitate double stack container operation with heavier axle load (25 tonne axle load upgradable to 32.5 tonne).

New age Construction Technology

To enhance operational efficiency of the project, DFCCIL has utilised a wide range of advanced technology. The tracks for the dedicated freight corridor were laid using New Track Construction (NTC) machine, a first-of-its-kind achievement in India. The NTC machine can lay 1.5 kilometres of trac in an 8-hour shift, compared to 150-200 meters per shift without the use of this advanced machine. In addition, OHE wiring machine, mast grabbers etc. are also being used for fast tracking construction work.

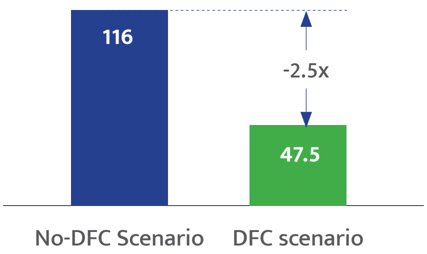
Drivers

Rising awareness about climate change

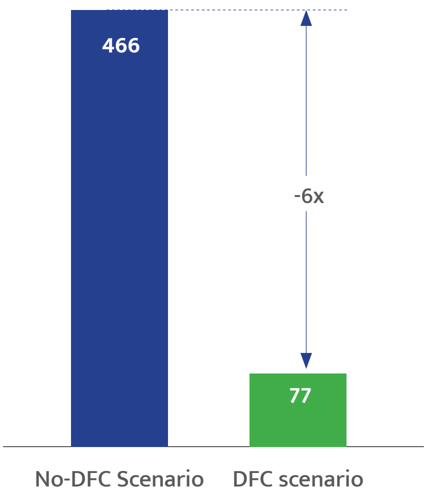
The transport sector is responsible for more than a quarter of the GHG emissions across the globe. Railways is one of the most energy-efficient forms of transportation for both freight and people, but it is frequently disregarded in public discourse. The dedicated freight corridors (DFC) will help reduce GHG emissions to a great extent in the long run.

No-DFC Scenario vs. DFC scenario (in million ton CO_2)

Eastern Corridor



Western Corridor



Trucks on trains (ToT)

The ToT service has been started on the dedicated freight corridor between Rewari (Haryana) and Palanpur (Gujrat) to ensure safe, efficient and sustainable freight movement. The new business vertical has opened up a new revenue stream for DFCCIL.

Heavy Haul Institute (HHI)

The HHI was established at DFCCIL's upcoming corporate office in Noida. In the first batch, 39 executive trainees will be trained in the institute. It will help DFCCIL to build capacity and improve overall operational efficiency.

(For more information on technology absorption visit page 40 in Director's report)

Freight Train movement over RFO in WDFC.

Board of **Directors**

Shri Vinay Kumar Tripathi
Part-time Chairman
(12.01.2022)

Shri Ravindra Kumar Jain
Managing Director
(11.12.2020)

Shri Hira Ballabh
Director (Finance)
(05.05.2020)

Shri Nanduri Srinivas
Director (Operations & Business Development) (15.06.2020)

Shri Hari Mohan Gupta
Director (Infrastructure) (13.10.2020)

Shri Pankaj Saxena
Director (Project Planning)
19.04.2022

Shri Ravindra Nath Singh
Part-time Official Director, Ministry of Railways (20.06.2019)

Shri Sudhendu Jyoti Sinha
Part-time Official Director, NITI Aayog (04.04.2022)

Prof. Pawan Palta
Part-time Non-Official Director
(09.11.2021)

Shri Amarnath Yadav
Part-time Non-Official Director
(07.12.2021)

Corporate **Information**

REGISTERED OFFICE & CORPORATE OFFICE

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

Phone No. +91-11-23454890

Email - contactdfccil@dfcc.co.in

Fax No. +91-11-23454701

Corporate Identity Number (CIN) - U60232DL2006GOI155068

Website - https://dfccil.com/

COMPANY SECRETARY

Ms. Meenu Kapoor

BANKERS

Union Bank of India

State Bank of India

HDFC Bank

ICICI Bank

Punjab National Bank

Kotak Mahindra

Yes Bank

IndusInd Bank

STATUTORY AUDITOR

M/s Suresh Chandra & Associates
Chartered Accountants
106-112B, Devika Tower, 6
Nehru Place
New Delhi - 110019

SECRETARIAL AUDITOR

M/s Balika Sharma & Associates
Company Secretaries
Flat No. 211, Pocket-A/3
Sector-7, Rohini
New Delhi-110085

INTERNAL AUDITOR

M/s Amit Ray & Co
Chartered Accountants
401/403, D- Definity
1-Jay Prakash Nagar Road, Goregaon(E)
Mumbai-400063

डेडीकेटेड फ्रेट कोरीडोर

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED
CIN: U60232DL2006GOI155068
Regd. Office: 5th Floor, Supreme Court Metro Station Building Complex, New Delhi-110001
Phone No. +91-11-23454890 Fax No. +91-11-23454701 Email - contactdfccil@dfcc.co.in
Website: https://dfccil.com/

Shorter Notice for the 16th Annual General Meeting

SHORTER NOTICE is hereby given that the 16th Annual General Meeting of the Members of Dedicated Freight Corridor Corporation of India Limited (DFCCIL) will be held on **Monday, 26th September, 2022 at 15:00 Hrs.** in Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001, to transact the following business:

ORDINARY BUSINESS

1. **To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2022, together with the Directors' Report, Auditors' Report and the comments of the Comptroller and Auditor General of India thereon and if thought fit, to 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 2022 comprising of Balance Sheet as at 31st March 2022, the Statement of Profit & Loss for the year ended 31st March 2022, Cash Flow Statement for the year ended 31st March 2022 along with Notes thereto, along with Auditors' Report and comments of the Comptroller and Auditor General of India thereon, as well as the Directors' Report along with its Integral Reports."

2. **To take note of the appointment of the Statutory Auditor of the Company and to authorize the Board of Directors to fix the remuneration of the Statutory Auditor for the financial year 2022-23 appointed by Comptroller and Auditor General of India and if thought fit, to pass with or without modification(s), the following Ordinary Resolution:**

   "**RESOLVED THAT** members be and hereby take note of the appointment of M/s Suresh Chandra & Associates, Chartered Accountants, as the Statutory Auditor of the Company for the financial year 2022-23, by the Comptroller and Auditor General of India, and authorize the Board of Directors to fix the remuneration on the recommendations of the Audit Committee."

SPECIAL BUSINESS

3. **To consider appointment of Prof. Pawan Palta [DIN: 08480388] as Part-time Non-official Director (Independent Director) and if thought fit, to pass with or without modification(s), the following Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act 2013 read with Article 81 of the 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/PL/57/22 dated 09.11.2021, of Prof. Pawan Palta as Part-time Non-official Director (Independent Director) on the Board of the Company from 09.11.2021 for a period of three years 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 Amarnath Yadav [DIN: 09428165] as Part-time Non-official Director (Independent Director) and if thought fit, to pass with or without modification(s), the following Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act 2013 read with Article 81 of the 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/PL/57/22 dated 09.11.2021, of Shri Amarnath Yadav as Part-time Non-official Director (Independent Director) on the Board of the Company for a period of three years or until further orders, whichever is earlier. Date of appointment is effective from 07.12.2021, i.e., date of allotment of DIN.

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."

5. **To consider appointment of Shri Vinay Kumar Tripathi [DIN: 09463988], Chairman & CEO, Railway Board as Part-time Chairman of the Company and if thought fit, to pass with or without modification(s), the following Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act 2013 read with Article 81 of the 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/61/2/Pt. dated 12.01.2022, of Shri Vinay Kumar Tripathi, Chairman & CEO, Railway Board as Part-time Chairman on the Board of the Company from 12.01.2022 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."

6. **To consider appointment of Shri Sudhendu Jyoti Sinha [DIN: 09560426], Adviser (Infrastructure Connectivity), NITI Aayog as Part-time Official Director (Nominee Director) of the Company and if thought fit, to pass with or without modification(s), the following Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act 2013 read with Article 81 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment, made by the President of India vide Railway Board's Order No. 2017/PL/61/5/Pt.1 dated 23.03.2022, of Shri Sudhendu Jyoti Sinha, Adviser (Infrastructure Connectivity), NITI Aayog as Part-time Official Director (Nominee Director) on the Board of the Company till he holds the post of Adviser (Infrastructure Connectivity), NITI Aayog or further orders, whichever is earlier. Date of appointment is effective from 04.04.2022, i.e., the date of allotment of DIN.

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

7. **To consider appointment of Shri Pankaj Saxena [DIN: 09399859], IRSE (DOB: 02.08.1965, DITS: 06.03.1989), ex-PED/Bridge, Railway Board as Director (Project Planning) of the Company and if thought fit, to pass with or without modification(s), the following Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act 2013 read with Article 81 of the 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. 2020/E(O)II/40/21 dated 24.03.2022, of Shri Pankaj Saxena, IRSE (DOB: 02.08.1965, DITS: 06.03.1989) as Director (Project Planning) on the Board of the Company from 19.04.2022, i.e., date of assumption of charge of office till date of his superannuation or until further orders, whichever is earlier.

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

By Order of the Board of Directors
For **Dedicated Freight Corridor Corporation of India Limited**

Sd/-
Meenu Kapoor
Company Secretary

Place: New Delhi
Date: 22.09.2022

NOTE:

1) Pursuant to Section 102 of the Companies Act, 2013, Explanatory Statement, in respect of the business under Item Nos. 3 - 7 of the Notice, are annexed herewith.

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 2021-22 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 ITEMS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3 - Appointment of Prof. Pawan Palta [DIN: 08480388] as Part-time Non-official Director (Independent Director) on the Board of DFCCIL

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

(1) The President shall have powers to appoint:

(a) Full-time Chairman or, Part-time Chairman, Full-time Managing Director(s) or a Full- time Chairman-cum-Managing Director and other Full-time Directors;

(b) The Directors representing the Government of India and/or any State Government; and

(c) Other Directors including Independent Directors in consultation with the Chairman.

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

II. Vide Railway Board's Order No. 2019/PL/57/22 dated 09.11.2021, Prof. Pawan Palta was appointed as Part-time Non-official Director (Independent Director) on the Board of the Company, with immediate effect from 09.11.2021 for a period of three years or until further orders, whichever is earlier.

III. 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, all the appointments made by the President of India, are required to be consented to by the Members in the AGM.

IV. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this item of business except Prof. Pawan Palta, being a Director of the Company.

ITEM NO. 4 - Appointment of Shri Amarnath Yadav [DIN: 09428165] as Part-time Non-official Director (Independent Director) on the Board of DFCCIL

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

(1) The President shall have powers to appoint:

(a) Full-time Chairman or, Part-time Chairman, Full-time Managing Director(s) or a Full- time Chairman-cum-Managing Director and other Full-time Directors;

(b) The Directors representing the Government of India and / or any State Government; and

(c) Other Directors including Independent Directors in consultation with the Chairman.

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

II. Vide Railway Board's Order No. 2019/PL/57/22 dated 09.11.2021, Shri Amarnath Yadav was appointed as Part-time Non-official Director (Independent Director) on the Board of the Company for a period of three years or until further orders, whichever is earlier. Date of appointment is effective from 07.12.2021, i.e., date of allotment of DIN.

III. 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, all the appointments made by the President of India, are required to be consented to by the Members in the AGM.

IV. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this item of business except Shri Amarnath Yadav, being a Director of the Company.

ITEM NO. 5 - Appointment of Shri Vinay Kumar Tripathi [DIN: 09463988] as Part-time Chairman on the Board of DFCCIL

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

(1) The President shall have powers to appoint:

(a) Full-time Chairman or, Part-time Chairman, Full-time Managing Director(s) or a Full- time Chairman-cum-Managing Director and other Full-time Directors;

(b) The Directors representing the Government of India and / or any State Government; and

(c) Other Directors including Independent Directors in consultation with the Chairman.

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

II. Vide Railway Board's Order No. 2021/PL/61/2/Pt. dated 12.01.2022, Shri Vinay Kumar Tripathi, Chairman & CEO, Railway Board was appointed as Part-time Chairman on the Board of the Company with immediate effect, i.e., 12.01.2022, till he holds the post of Chairman & CEO, Railway Board or further orders, whichever is earlier.

III. 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, all the appointments made by the President of India, are required to be consented to by the Members in the AGM.

IV. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this item of business, except Shri Vinay Kumar Tripathi, being a Director of the Company.

ITEM NO. 6 - Appointment of Shri Sudhendu Jyoti Sinha [DIN: 09560426] as Part-time Official Director (Nominee Director) on the Board of DFCCIL

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

(1) The President shall have powers to appoint:

(a) Full-time Chairman or, Part-time Chairman, Full-time Managing Director(s) or a Full- time Chairman-cum-Managing Director and other Full-time Directors;

(b) The Directors representing the Government of India and / or any State Government; and

(c) Other Directors including Independent Directors in consultation with the Chairman.

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

II. Vide Railway Board's Order No. 2017/PL/61/5/Pt.1 dated 23.03.2022, Shri Sudhendu Jyoti Sinha, Adviser (Infrastructure Connectivity), NITI Aayog as Part-time Official Director (Nominee Director) on the Board of the Company till he holds the post of Adviser (Infrastructure Connectivity), NITI Aayog or further orders, whichever is earlier. Date of appointment is effective from 04.04.2022, i.e., date of allotment of DIN.

III. 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, all the appointments made by the President of India, are required to be consented to by the Members in the AGM.

IV. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this item of business, except Shri Sudhendu Jyoti Sinha, being a Director of the Company.

ITEM NO. 7 - Appointment of Shri Pankaj Saxena [DIN: 09399859] as Director (Project Planning) on the Board of DFCCIL

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

(1) The President shall have powers to appoint:

(a) Full-time Chairman or, Part-time Chairman, Full-time Managing Director(s) or a Full- time Chairman-cum-Managing Director and other Full-time Directors;

(b) The Directors representing the Government of India and / or any State Government; and

(c) Other Directors including Independent Directors in consultation with the Chairman.

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

II. Vide Railway Board's Order No. 2020/E(O)II/40/21 dated 24.03.2022, of Shri Pankaj Saxena, IRSE (DOB: 02.08.1965, DITS:06.03.1989) as Director (Project Planning) on the Board of the Company with effect from date of assumption of charge of office, i.e., 19.04.2022, till date of his superannuation or until further orders, whichever is earlier.

III. 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, all the appointments made by the President of India, are required to be consented to by the Members in the AGM.

IV. None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this item of business, except Shri Pankaj Saxena, being a Director of the Company.

By Order of the Board of Directors
For **Dedicated Freight Corridor Corporation of India Limited**

Sd/-
Meenu Kapoor
Company Secretary

Place: New Delhi
Date: 22.09.2022

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: ____

I/We being the Member(s) of ____________________ equity shares of INR 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 16th Annual General Meeting of the Company, to be held on Monday, 26th September 2022 at 15:00 hrs at 2nd Floor, Committee Room, Rail Bhawan, Raisina Road, New Delhi - 110001 and at any adjourned meeting 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.

डेडीकेटेड फ्रेट कोरीडोर

DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED
CIN: U60232DL2006GOI155068
Regd. Office: 5th Floor, Supreme Court Metro Station Building Complex, New Delhi-110001
Phone No. +91-11-23454890 Fax No. +91-11-23454701 Email - contactdfccil@dfcc.co.in
Website: https://dfccil.com/

Registered Folio : ____

Name : ____

Address : ____

____

____

I/ we hereby record my/our presence at the 16th Annual General meeting of the Company in Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001 on **Monday, 26th September, 2022 at 15:00 Hrs**.

Directors' Report

Ladies/Gentlemen,

The Board of Directors take a pleasure in presenting the Sixteenth Directors' Report of the Company along with the audited Financial Statements for the year ended 31st March 2022.

The activities of Dedicated Freight Corridors received a tremendous boost during 2021-2022 under the guidance and support from the Ministry of Railways. Though the work was hampered due to the COVID waves, a number of innovative steps were taken by all the stakeholders to ensure that the work was carried out at fast pace. All possible steps were taken to ensure commissioning of sections within targeted time frame.

1 Highlights & Major Achievements

- Madar-Palanpur Section (353 km) of WDFC was commissioned and made operational during the Financial Year 2021-22.
- Rooma-Sujatpur (130 Km) section of EDFC was commissioned for freight train.
- New DDU to New Sonnagar (137 Km) of EDFC was commissioned for freight train.

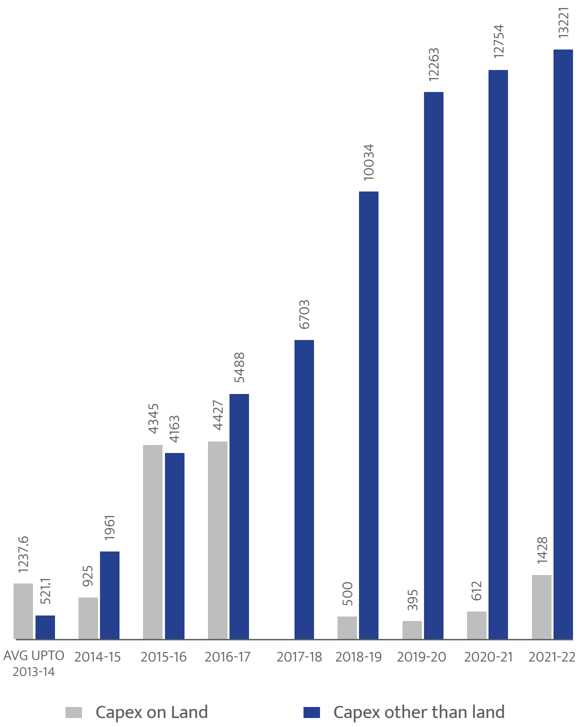
- Freight trains on DFC clocked a record average speed of 99.38 kmph which is faster than average speed of Rajdhani trains. This feat was accomplished on the 351 km New Khurja-New Bhaupur section of EDFC.

- Shri Amit Shah, Hon'ble Minister of Home Affairs inaugurated ROB no. 227 near Pansar station of Indian Railway (DFC block section Ghumasan-Sanand North) on 21.06.2021. Hon'ble Chief Minister of Gujarat was also present on the occasion.

- Diesel loco trial was conducted between New Palanpur -New Mehsana on 31.03.2022.
- Diesel loco trial was conducted between Prithala - Bridge no.185 (Noida-Greater Noida expressway) on 31.03.2022.

- Dedicated Freight Information System (DFIS) was made operational at DFCCIL. It is an in-house IT project for real time monitoring of train running and operations. It is fully integrable with multi TMS (Alstom, Hitachi, Kyson, Siemens), FOIS and other future projects. This will enable monitoring of train passing activity and inspection of Stations remotely.

- During the year, the Company has achieved CAPEX of INR 14,64,900 Lakh (including land), the highest ever in the history of DFCCIL.



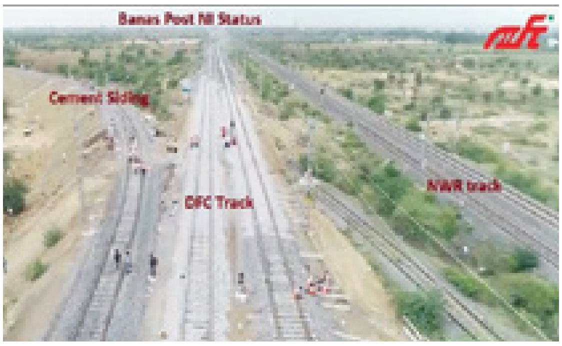
- A MoU was signed with Indian Institute of Science (IISc), Bangalore for the development of Machine Vision-based Inspection System (MVIS) for monitoring the health of Rolling Stock. This MoU is a step towards "Atmanirbhar Bharat", wherein advanced technology is being developed within the country. The Company and IISc will also explore other areas in which IISc can support the Company's need for advanced technological solutions.

- MoU between Eastern Railway and DFCCIL was signed for supply of 140T break down crane in presence of GM/ER and Managing Director of DFCCIL.

- Trucks on Trains (ToT) service was started between New Rewari (Haryana) and New Palanpur (Gujarat) section on 12.08.2021. It has reduced transportation time from more than 30 hrs to less than 15 hrs from Rewari to Palanpur. The Trucks on Trains service is poised to be a game changer with assured savings in time, fuel and cost along with reduction in greenhouse gas emissions. More than 167 ToT services have been run successfully as on 31.03.2022.

- CONCOR's CMLK (Kathuwas) became the first terminal to get direct connectivity with WDFC. CONCOR MMLP is now linked with Madar-Palanpur section.

- DFCCIL was connected to Banas and Keshavganj Sidings of North Western Railway. This will provide better connectivity to these sidings.



- Newly constructed office for Noida unit was inaugurated by MD/DFCCIL on 26.12.2021.

2 Credit Rating

The Company has received highest credit ratings from various Credit Rating Agencies. CARE Ratings Limited has affirmed CARE AAA(Is) Stable Rating for the Company vide its report dated 05.01.2022. CRISIL Rating Limited has reaffirmed CCR AAA/Stable Rating to the Company vide its report dated 28.04.2022. ICRA Limited has reaffirmed the ICRA AAA/Stable rating to the Company vide its report dated 29.04.2022. India Rating & Research Private Limited has affirmed Long-term User Rating at IND AAA with Stable Outlook vide its report dated 05.08.2022.

3 Source of Funds

3.1. Capital Structure

As on 31st March 2022, the authorized share capital of Company stands at INR 2,20,00,00,00,000 divided into 22,00,00,000 equity shares of INR 1,000 each against which paid up share capital is INR 1,40,76,62,50,000. There has been no change in paid up share capital during the year. An Offer Letter for allotment of 1,65,23,700 Equity Shares of INR 1000/- each for cash aggregating to INR 16,52,37,00,000 on rights basis was made to the President of India and his nominee on 20.12.2021. The offer was accepted on 29.12.2021. On the close of the financial year 2021-22, since the allotment was in process, the amount of INR 16,52,37,00,000 has been transferred to Share Application Money Pending Allotment.

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

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
EQUITY FUNDING		
Shareholder's Fund	14,07,662.50	14,07,662.50
Other Equity	1,91,813.71	29,393.67
Subtotal	**15,99,476.21**	**14,37,056.17**
DEBT FUNDING		
JICA	21,66,653.58	17,55,221.42
IBRD	11,48,427.36	9,75,827.61
Subtotal	**33,15,080.94**	**27,31,049.03**
Grand Total	**49,14,557.15**	**41,68,105.20**

3.2. Debt Funding

EDFC			
Phase	**Particulars of Loan**	**Amount sanctioned**	**Utilisation till 31.03.2022**
New Khurja – New Bhaupur (343km)	Loan No. 8066 IN for construction was obtained from World Bank. Initial loan of USD 975 Mn was signed on 27.10.2011. Based on the requirement and utilisation, the amount was reduced to USD 800 Mn on 29.06.2017. The amount was further reduced to USD 555 Mn on 04.12.2018. The loan was closed on 31.05.2019.	USD 555 Mn	USD 530.81 Mn

EDFC			
Phase	Particulars of Loan	Amount sanctioned	Utilisation till 31.03.2022
New Bhaupur to New DDU (km)	Loan No. 8318 IN for construction was obtained from World Bank. Initial loan of USD 1100 Mn was signed on 11.12.2014. Based on the requirement and utilisation, the amount was reduced to USD 910 Mn on 30.06.2017. The amount was further reduced to USD 660 Mn on 27.12.2019. The loan closed on 31.03.2022.	USD 660 Mn	USD 653.639 Mn
New Khurja to New Ludhiana (km)	Loan No. 8513 IN for construction was obtained from World Bank. Initial loan of USD 650 Mn was signed on 21.10.2016. The amount was reduced to USD 560 Mn on 30.06.2020. The loan closed on 31.03.2022. Final claim is yet to be submitted to World Bank for disbursement.	USD 560 Mn	US$ 498.674 Mn

WDFC			
Phase	Particulars of Loan	Amount sanctioned	Utilisation till close of loan
Phase I (Vadodara - Rewari) 947 km	Loan Agreement ID-P205 for Engineering Services Consultancy obtained from JICA. Loan signed on 27.10.2009 Loan closed on 23.02.2017	JPY 2.606 Bn	JPY 2.086 Bn
Phase II (Vadodara - JNPT and Rewari - Dadri) 557 km	Loan Agreement ID-P212 for Engineering Services Consultancy obtained from JICA. Loan signed on 27.06.2010 Loan closed on 15.11.2017	JPY 1.616 Bn	JPY 1.224 Bn

WDFC			
Phase	Particulars of Loan	Amount sanctioned	Utilisation till 31.03.2022
Phase I (Vadodara - Rewari) 947 km [Main loan]	Loan Agreement ID-P209 (first tranche) for construction obtained from JICA. Loan signed on 31.03.2010	JPY 90.262 Bn	JPY 87.040 Bn
	Loan Agreement ID-P253 (second tranche) for construction obtained from JICA. Loan signed on 31.03.2016	JPY 103.664 Bn	JPY 99.937 Bn
	Loan Agreement ID-P288 (third tranche) for construction obtained from JICA. Loan signed on 27.03.2020	JPY 130 Bn	JPY 26.829 Bn
Phase II (Vadodara - JNPT and Rewari - Dadri) 557 km	Loan Agreement ID-P229 (first tranche) for construction obtained from JICA. Loan signed on 28.03.2013	JPY 136.119 Bn	JPY 124.095 Bn
	Loan Agreement ID-P297 (second tranche) for construction obtained from JICA. Loan signed on 31.03.2022	JPY 116.520 Bn	--

4 Financial Summary

The Financial Statements for financial year 2021-22 have been prepared in accordance with Schedule III of the Companies Act, 2013 and are in compliance of IndAS as notified under Companies Act, 2013.

4.1. Capital Expenditure on Project Execution

(INR in Lakh)

Particulars	As at 31.03.2021	During FY 2021-22	As at 31.03.2022
CAPEX (without cost of land)			
Property, Plant and Equipment	13,66,650.81	9,09,306.29	22,75,957.10
Capital work in Progress	38,01,520.08	3,66,148.04	41,67,668.12
Other Intangible assets	7.89	0.46	8.35
Intangible Assets under development	2,147.20	0	2,147.20
Right-of-use assets	4,949.62	-1,766.22	3,183.40
Capital Advances*	5,48,615.79	-31,838.70	5,16,777.09
Depreciation on capitalization	15,753.00	80,206.00	95,959.00
Total Capex (without cost of land)	**57,39,644.39**	**13,22,055.87**	**70,61,700.26**
Cost of land (Borne by the Ministry of Railways)	17,39,100.00	1,42,800.00	18,81,900.00
Total Capex with cost of land	**74,78,744.39**	**14,64,855.87**	**89,43,600.26**

**Including amount of INR 38,843.91 Lakh released towards 75% advance in DAB/ Arbitration cases which have been further challenged by DFCCIL.

4.2. Development Account

During the financial year 2021-22, the balance of Development Account, i.e., INR 1,31,296.33 Lakh has been transferred to Capital Work-in-progress.

(INR in Lakh)

Particulars	As at 31st March 2022	As at 31st March 2021
Employee benefit expenses	13,924.03	18,494.95
Finance cost	1,10,963.03	107,445.21
Depreciation & amortization expenses	499.03	574.83
Administration & Other expenses	6,174.37	13,733.91
Subtotal	**1,31,560.46**	**140,248.90**
Less: Other Income	264.13	1,284.65
Total transferred to CWIP	**1,31,296.33**	**1,38,964.25**

4.3. Track Access Charges (TAC)

Consequent to commissioning of part sections, the Company has booked Unbilled Revenue of INR 1,94,915.31 Lakhs in its books of accounts based on Track Access Charges (TAC) methodology provided by Railway Board.

4.4. Commissioning and Capitalisation of part sections

During the financial year 2021-22, the Company has commissioned part section as follows-

S. No.	Section Name	Date of Commercial operation
1.	Madar to New Palanpur	8th Oct 2021

As a result of above commissioning, the Company has capitalized following Capital Work in Progress into Plant & Machinery in respect of above section.

Nature of Assets	Amount (INR in Lakh)	Percentage
Civil	666,821.05	73.91%
Electrical	154,191.67	17.09%
S&T	81,189.84	9.00%
Gross value of Assets	**902,202.56**	**100.00%**
Less: Depreciation	19,196.64	
Net Value of Assets	**883,005.92**	
Cost per Route km	**2,525.80**	
Cost per Track Km	**1,125.68**	

4.5. Amount, if any, which the Board proposes to carry to the reserves.

The amount proposed for transfer to reserves is INR 1,964.72 Lakh (Loss) through the Statement of Profit and Loss.

4.6. Dividend

The Board of Directors recommended "NIL" dividend as the company is still under the construction phase and has partly started operations.

5 State of Affairs of the Company

5.1. Contracts

5.1.1. Contracts of value more than INR 5,000 lakh awarded during the year – WDFC and EDFC

	EDFC				
S. No.	Nature of Work	Work/ Consultancy	Date of Award	Amount of Award (INR Lakh)	Funded by
1.	Construction of Rail Flyover and its approaches on Viaducts, Formation in Embankments/Cuttings including Blanketing, Supply and Spreading of Ballast and related works for single track bi-directional electrified railway track RFO connecting DFCCIL DDU yard with Vyasnagar station of Northern Railway and other related works.	Work	26.02.2022	33,920	DFCCIL

No contracts were awarded with respect to WDFC.

5.1.2. Contracts likely to be awarded during the succeeding year - WDFC and EDFC

No contracts are likely to be awarded during the succeeding year with respect to WDFC and EDFC.

5.1.3. Physical & Financial Progress of Major Contracts costing more than INR 5000 Lakh - WDFC and EDFC

	EDFC				
S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress (with respect to Original Contract Value)	Physical Progress
1.	CP - 201 - Civil Works (Bhaupur - Mughalsarai)	Works	12.05.2015	98.43%	79.00%
2.	CP - 202 - Civil Works (Bhaupur - Mughalsarai)	Works	12.05.2015	108.25%	83.00%
3.	CP - 203R - Balance Signaling Works (Bhaupur - Mughalsarai)	Works	01.12.2020	37.64%	15.00%

	EDFC				
S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress (with respect to Original Contract Value)	Physical Progress
4.	CP - 204 - Electrification Works (Bhaupur - Mughalsarai)	Works	15.06.2016	93.25%	78.00%
5.	CP - 301 - Civil Works (Sahnewal - Pilkhani)	Works	14.07.2016	85.55%	75.00%
6.	CP - 302 - Civil Works (Khurja - Dadri)	Works	14.07.2016	116.37%	86.04%
7.	CP – 303 - Civil Wroks (Khurja - Pilkhani)	Works	12.03.2018	87.82%	82.15%
8.	CP – 105 - System Contract	Works	04.06.2020	70.81%	75.10%
9.	CP – 304 - System Contract	Works	03.06.2020	24.98%	41.00%
10.	CP – 305 - System Contract	Works	04.06.2020	39.21%	39.50%
11.	Larsen & Tourbo Ltd (System Balance Portion)	System	21.11.2018	73.00%	75.00%
12.	M/s Texmaco	Works	07.03.2017	81.00%	83.00%
13.	M/s MG Contractor for RFO/SSM	RFO	25.09.2020	14.00%	15.00%
14.	M/s BSCESMSGSR 'JV'	RFO	26.02.2022	0%	0%
15.	ROB Work (13 Nos. Contract)	ROB	...	79.00%	75.00%
16.	Project Management Consultancy for Bhaupur - Khurja Section of EDFC - 1	Consultancy	31.10.2013	207.25%	94.00%
17.	Project Management Consultancy for Mughalsarai - New Bhaupur Section	Consultancy	01.07.2015	216.94%	78.24%
18.	Project Management Consultancy for construction of Sahnewal - Pilkhani Section	Consultancy	10.10.2016	149.00%	85.00%
19.	Project Management Consultant for Khurja - Pilkhani Section of EDFC	Consultancy	20.02.2018	121.36%	84.00%
20.	Consultancy & related services for the preparation of Detailed Project Report (DPR), of New Dedicated Freight Corridor: East west Sub Corridor comprised of sub corridors-Bhusaval-Nagpur-Kharagpur-Dankuni (1673 RKM*) and Sub Corridor- Rajkharswan-Kalipahari-Andal- (195RKM*)(Package-2)	Consultancy	15.02.2021	27.50%	40.00%

	WDFC				
S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress (with respect to Original 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	30.08.2013	100%	100%
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	06.06.2016	64.47%	70.12%

S. No.	WDFC Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress (with respect to Original Contract Value)	Physical Progress
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	15.10.2015	61.04%	61.78%
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	15.10.2015	69.39%	74.97%
5.	**CTP-11:** Design & Construction of Civil, Building Track Works for double line railway (Vaiterna-JNPT Section – 102 Km)	Work	07.03.2017	45.40%	47.05%
B.	**Special Steel Bridge package**				
1.	**CTP-3A(R):** Design & Construction of Special Steel Bridges across Mahi & Sabarmati Rivers (Ikbalgarh-Vadodara Section)	Work	20.11.2014	100%	100%
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	15.10.2015	72.81%	76.93%
3.	**CTP-15B:** Design & Construction of Special Steel Bridge across Narmada River with RUB (Sachin-Vadodara Section)	Work	15.10.2015	87.10%	88.54%
4.	**CTP-15C:** Design & Construction of 03 Special Steel Bridges over existing Railways and across Rivers Yamuna & Hindon (Dadri-Rewari Section)	Work	15.10.2015	73.59%	73.99%
C.	**Integrated package**				
1.	**CTP-14:** Integrated Package of Civil, Building & Track Work, E&M and S&T Works (Dadari-Rewari Section – 127 Km)	Work	01.02.2017	68.69%	69.09%
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	15.05.2015	89.48%	95.93%
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	02.05.2016	74.64%	75.92%

	WDFC				
S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress (with respect to Original Contract Value)	Physical Progress
E.	**S&T package**				
1.	**STP-5:** Design & Construction of Signal & Telecom Works for double line railway (Rewari - Makarpura Vadodara Section – 914 Km	Work	11.01.2016	77.68%	86.96%
2.	**STP-5A:** Design & Construction of Train Protection & Warning System (TPWS) (Rewari - JNPT Section – 1333 Km) i.e., for Phase-I & Phase-II	Work	01.06.2016	42.53%	44.90%
3.	**STP-17:** Design & Construction of Signal & Telecom Works for double line railway (Vadodara - JNPT Section – 419 Km)	Work	29.08.2016	42.33%	49.00%
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	11.04.2014	81.67%	86.43%
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	31.03.2016	62.86%	65.99%
G.	**ROBs and Major Bridges**				
1.	Construction of 02 Nos. of Road over Bridge including approaches complete in lieu of L.C. No. 211 & 216 of Palanpur-Ahmedabad section of Ahmedabad Division of Western Railway.	ROB Work	06.05.2017	97%	95%
2.	Construction of 01 No of ROB including approaches complete in lieu of L.C. No. 16 A of Ahmedabad-Viramgam section of Ahmedabad Division of Western Railway.	ROB Work	22.07.2021	45%	42%
3.	Tender No. AII/EN/WC/ROBs/3(2015-16)- Construction of 02 Nos. Two Lane ROBs (including approaches) in lieu of Level crossings No. 53 & 70 at Km. 414/4-5 between Sojat Road – Bhesana Section & Km. 471/4-5 between Bhagwanpura– Jawali of Madar-Palanpur section of Ajmer Division of North Western Railway	ROB Work	17.07.2016	78%	76%
4.	Construction of 2-Lane Road over Bridge including approaches in lieu of existing Level Crossing Nos i) LC 150 at Km 278/14-16 (DFCC Ch:28967.59) between Gothangam and Sayan station of Western Railway. Ii) LC 156 at Km 287/11-13 (DFC CH: 37875.65) between Kudsad and Sayan stations of Western Railway.	ROB Work	12.10.2019	68%	35%
5.	Construction of ROB LC-68	ROB Work	22.03.2019	80%	77%
6.	Construction of ROB LC-66	ROB Work	22.03.2019	45%	42%

S. No.	WDFC Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress (with respect to Original Contract Value)	Physical Progress
7.	Construction of Major/Important Bridges No 115,144 ,163,166,169,173,182,192. Balance work work between Vaitarana -Saphale Railway station of Virat-Surat section of Mumbai Division of Western Railway in connection with Western Dedicated Freight corridor. (PKG-V)	Major bridge	07.09.2019	50%	48%
8.	Const. of Major/Important Bridges No 92, 93. Balance work work between Vaitarana -Saphale Railway station of Virat-Surat section of Mumbai Division of Western Railway in connection with Western Dedicated Freight corridor. (PKG-IV)	Major bridge	30.01.2019	12%	10%

5.2. Sonnagar-Dankuni PPP Project

Sonnagar-Dankuni section of EDFC (538 Km) is planned to be developed on PPP mode. The project is to be developed in two phases. In first phase of the project, Sonnagar-Gomoh section (263 Km) is to be developed on Hybrid-DBFOT model of PPP. The alignment of Phase-I passes through the mineral rich belts of the States of Bihar and Jharkhand. The approximate cost of the project is INR 12,00,000 Lakh. In the proposed mode of Hybrid-DBFOT for the Phase-I, the Concessionaire shall design, finance, construct the project in 5 years & operate and maintain the project for 30 years post-construction. The Authority shall provide approximately INR 3,20,000 Lakh to the Concessionaire as construction support during construction period in 10 equal instalments. During the operation & maintenance period, the Authority shall pay to the Concessionaire payment based on the availability of railway system provided by the Concessionaire to the Authority.

The PPP documents for Sonnagar-Gomoh section Phase-I on Hybrid-DBFOT model was submitted to Public Private Partnership Appraisal Committee in November 2021 and the project was cleared vide 106th Record of Discussion dated 27.12.2021 along with some observations. Approval of Ministry of Railways is awaited.

Gomoh-Dankuni section Phase-II (275 Km) shall be undertaken once proposal for Sonnagar-Gomoh, Phase-I approved by the Cabinet.

5.3. Land Acquisition

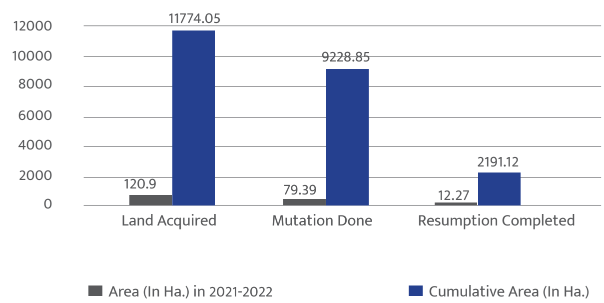
5.3.1. Progress/Status of Land Acquisition

The Company has acquired Indian Railway's land of 3314 Ha for the project at the token lease of INR 1.

EDFC & WDFC Particulars	Area (In ha) in 2021-2022	Cumulative Area (In ha)
Land Acquired	120.90	11774.05
Mutation Done	79.39	9228.85
Resumption Completed	12.27	2191.12

A total of 157 Gazette Notifications were published under Section 20A/20E of the Railways Act, 1989 in coordination with L&A Directorate/ Railway Board, Legislative Department of the Ministry of Law & Justice, and Government of India Press, Mayapuri.

Land Acquisition Position FY 2021-22



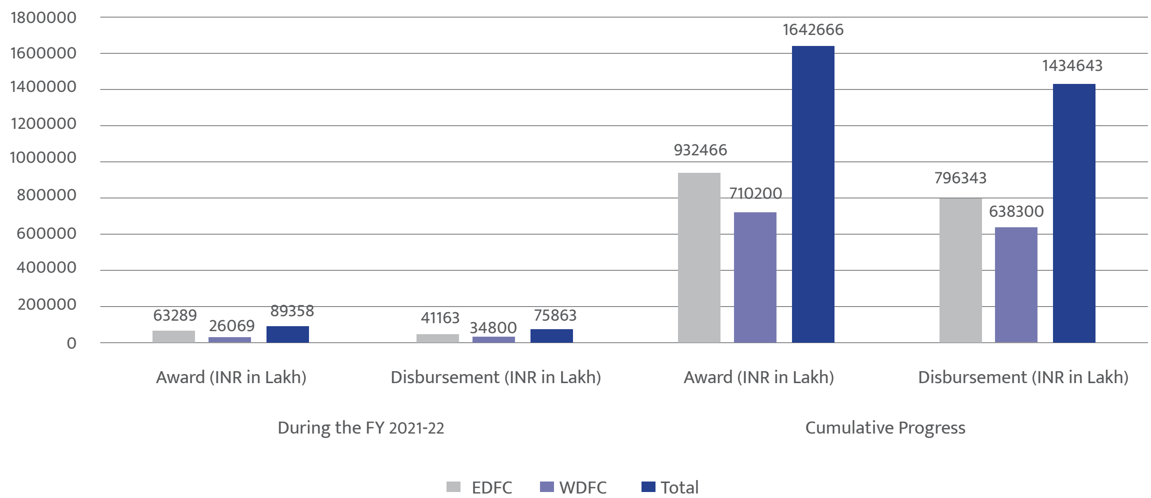
5.3.2. Disbursal of Land Compensation

The disbursal of Land Compensation and Rehabilitation & Resettlement Expenses were expedited in districts falling in the jurisdiction of EDFC and WDFC construction in coordination with district authorities. Land fund was timely provided to State Land Acquisition Officers for smooth disbursal amongst remaining eligible Project Affected Persons.

(INR in Lakh)

Section	EDFC & WDFC			
	During the FY 2021-22		Cumulative Progress	
	Award	Disbursement	Award	Disbursement
EDFC	63,289	41,163	9,32,466	7,96,343
WDFC	26,069	34,800	7,10,200	6,38,300
Total	**89,358**	**75,863**	**16,42,666**	**14,34,643**

Awards and Disbursements during FY 2021-22



5.3.3. Resolution of Land Matters affecting the progress of the Project

Concerted efforts have been made in coordination and liaison with State/District Authorities for removal of land hindrance during the year 2021-22. In GB Nagar (Uttar Pradesh), long pending issue of possession was resolved with removal of hindrance from 3.93 Ha land at Jamalpur and Hazratpur villages. In Prayagraj (Uttar Pradesh), issue of hindrance at village Manauri due to stay by Hon'ble District Court has been got resolved. In Kheda (Gujarat), issue of possession of land in 1.5 Km stretch was resolved. In Palghar & Raigad (Maharashtra), with constant monitoring and active coordination with district authorities, hindrance was removed from 1.15 Km stretch length including land patches which were under stay of Hon'ble High Court of Mumbai.

Issues of transfer of government land belonging to Damodar Valley Corporation (DVC), NHAI and Defence were resolved in districts of Purba Bardhaman & Paschim Bardhaman (West Bengal). Issue of pending transfer of INR 68.34 Crores and handing over 0.204 hectare of land by NHAI for modification of existing ROB in Aurangabad district of Bihar was also amicably resolved.

Long pending Arbitration cases in district Aurangabad (Aurwan, Kusa, Kajpa, Bagoi Khurd, Charkawa Q. Hazi, Maluk Bigha, Gordia involving 0.91 Ha) and district Gaya (2 Awards of Kandi Nawada involving land area of 7.599 Ha) were resolved with physical possession of land.

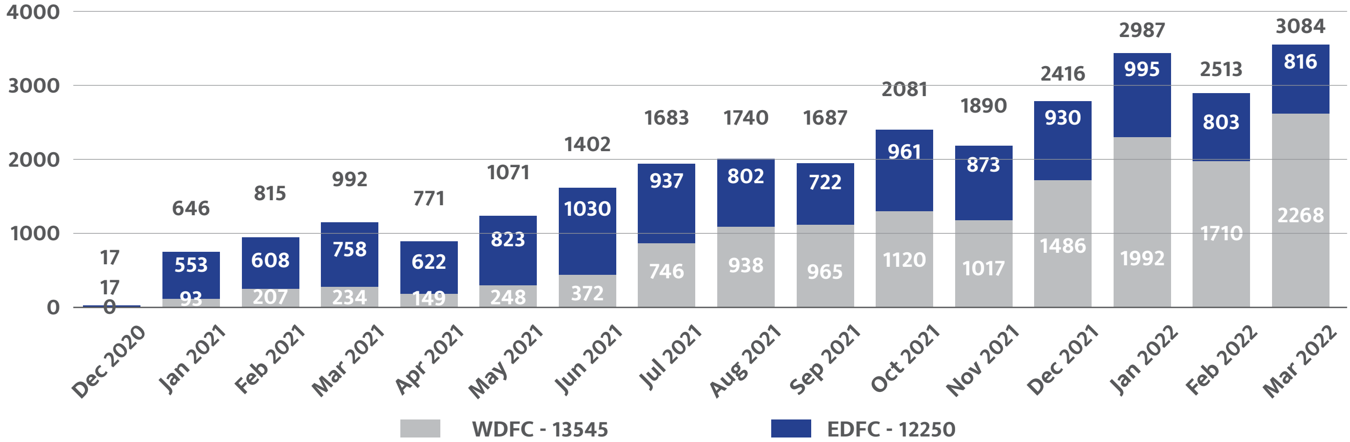
Land issues were taken up at different levels at regular interval of times viz. Railway Board, DPIIT (PMG), State Government Authorities, District Authorities. PMG Portal was regularly updated in consultation with Field Units.

5.4. Operation & Business Development

5.4.1. Operations

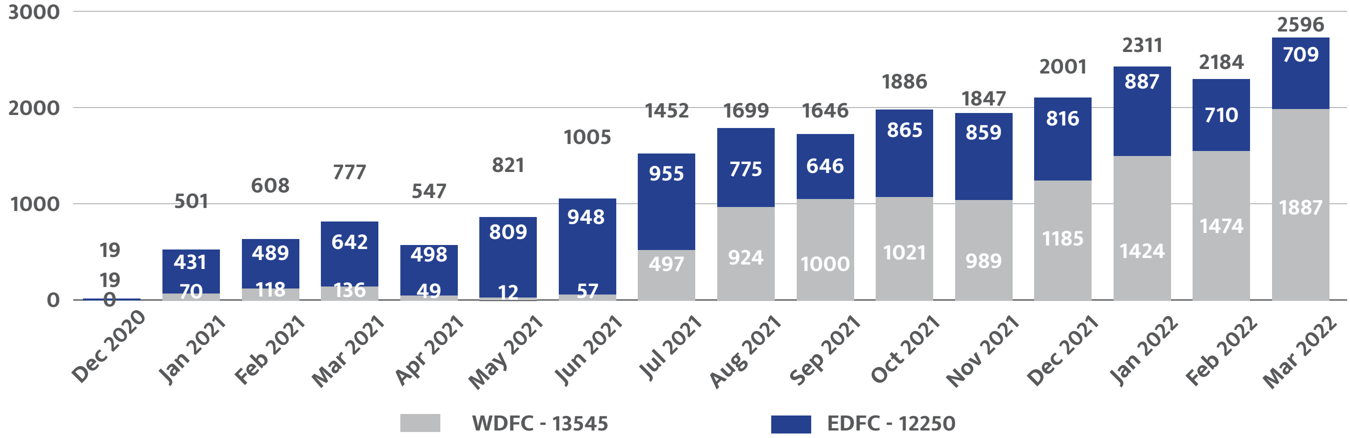
Train Operation started in Bhaupur-Khurja section of Eastern Dedicated Freight Corridor (EDFC) from 29.12.2020 and in Rewari-Madar section of Western Dedicated Freight Corridor (WDFC) from 07.01.2021 after inauguration by the Hon'ble PM Shri Narendra Modi. Operations and Business Development on DFCCIL has never looked back since then.

Monthwise Total No of Trains (TTL : 25795)



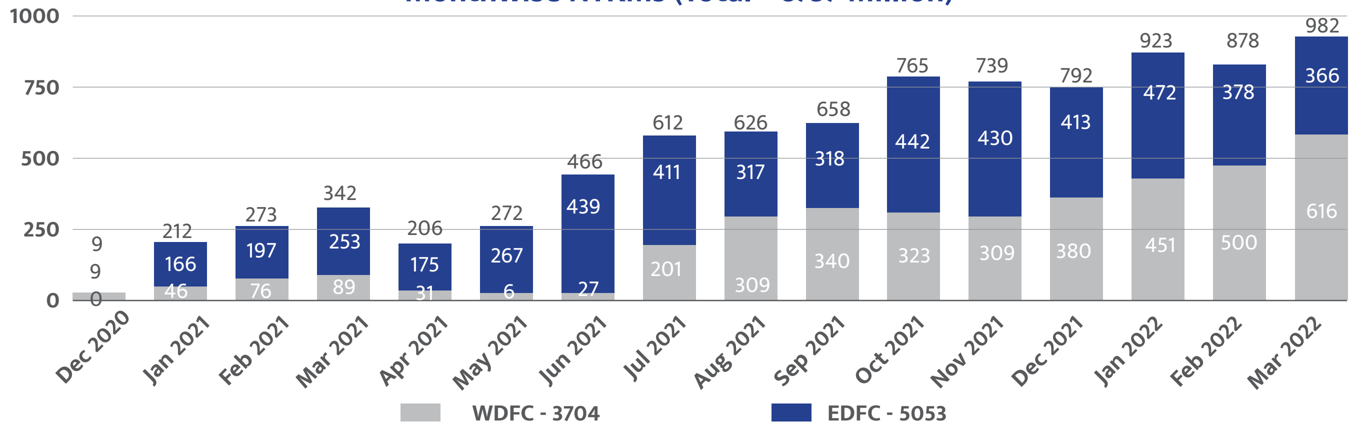
Month	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
WDFC	0	93	207	234	149	248	372	746	938	965	1120	1017	1486	1992	1710	2268	13545
EDFC	17	553	608	758	622	823	1030	937	802	722	961	873	930	995	803	816	12250
Total	**17**	**646**	**815**	**992**	**771**	**1071**	**1402**	**1683**	**1740**	**1687**	**2081**	**1890**	**2416**	**2987**	**2513**	**3084**	**25795**

Monthwise GTKMs (Total = 21901 Million)



Month	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
WDFC	0	70	118	136	49	12	57	497	924	1000	1021	989	1185	1424	1474	1887	10843
EDFC	19	431	489	642	498	809	948	955	775	646	865	859	816	887	710	709	11058
Total	**19**	**501**	**608**	**777**	**547**	**821**	**1005**	**1452**	**1699**	**1646**	**1886**	**1847**	**2001**	**2311**	**2184**	**2596**	**21901**

Monthwise NTKMs (Total = 8757 Million)



Month	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
WDFC	0	70	118	136	49	12	57	497	924	1000	1021	989	1185	1424	1474	1887	10843
EDFC	19	431	489	642	498	809	948	955	775	646	865	859	816	887	710	709	11058
Total	**19**	**501**	**608**	**777**	**547**	**821**	**1005**	**1452**	**1699**	**1646**	**1886**	**1847**	**2001**	**2311**	**2184**	**2596**	**21901**

The zeal for commissioning DFC sections in order to deliver this crucial infrastructural facility to the country is persisting in team DFCCIL.

As newer sections continue to be added to the operational sections, the GTKMs and the NTKMs shall increase in leaps and bounds as greater connectivity and access to IR is provided.

Average speeds on commissioned sections of both the corridors as well as the parallel IR (Indian Railways) sections have registered continual improvement on monthly basis as the congestion in these areas has been eased out and relegated to history.

Average Speeds over DFC				
Month	EDFC UP	EDFC DN	WDFC UP	WDFC DN
Apr 2021	62	66	36	40
May 2021	47	67	39	43
Jun 2021	64	70	20	32
Jul 2021	68	70	36	18
Aug 2021	63	66	38	28
Sep 2021	55	62	54	45
Oct 2021	54	54	52	36
Nov 2021	54	44	50	39
Dec 2021	55	48	44	30
Jan 2022	57	58	45	29
Feb 2022	60	57	46	32
Mar 2022	64	58	46	46
Avg	**59**	**60**	**42**	**35**

As a commitment to good maintenance practices, corridor blocks of four hours on each of the corridors are organized everyday. Innovatively, the concept of shadow corridor blocks is being practiced for negligible detention to trains.

IT (Information Technology) is being extensively utilized for making train operations smoother and efficient. The in-house developed DFIS (Dedicated Freight Information System), acts as the interactive layer for DFCCIL management for the information gathered from/ disseminated to the existing IT systems of IR such as FOIS (Freight Operation Information System), COA (Control Office Application) & the TMS (Train Management System) of the commissioned sections which provide details of field-level events at signals and points etc. at the stations. This extensive use of IT enabled train operations will enhance the Ease of Doing Business by creating a common platform of information exchange between the customers and the DFCCIL.

Innovatively, DFCCIL has started forming long haul trains at wayside stations and has progressively introduced Long haul trains run with single locomotives.

Millennium (Milk) special trains are being run on WDFC (26 up to March 2022), with an average speed of 76.63 kmph, revolutionizing the way perishables are transported and ensuring that the dairy products are quickly transported.

With an eye on economizing on Diesel fuel consumption the DFC corridors were electrified and therefore the associated sidings have also been electrified. A Train-examination facility is also being set up at New Rewari station.

Station working Rules / TWIs (Temporary Working Instructions) / Safety circulars/Bulletins were scrutinized and approved, for the sections commissioned during 2021-22, institutionalizing the system of train operations, enhancing safer train operations.

A security team of 32 security staff on deputation from RPF, 160 DGR (Directorate General Resettlement) security guards proactively protected the assets of the corridors. Continuous analysis by the Security team has led to identification of blind spots / sections prone to Theft / Miscreant Activities / Damage / TPRO (Trespasser Run Over) / CRO (Cattle Run Over) / Unusual Incidents / fire incidents over both the corridors.

5.4.2. Business Development

Business development efforts have gathered steam after commissioning of the sections. The effort is to capture non-conventional traffic and achieve modal shift of traffic from road to rail. The focus has been on enabling access of DFC network to industries and stakeholders.

- **Connecting New Terminals**

  Business Development has picked up the gauntlet for developing new terminals. Multi-modal Logistics Park of CONCOR connected to Swarupganj station has been commissioned as a PFT (Private Freight Terminal). Five more terminals are under development under the PFT policy of DFCCIL. Further 14 terminals awarded under an RFP are under approval/development. 27 stations were notified for handling freight traffic. Gati Shakti Cargo Terminal policy of Indian Railways is under process for adoption on DFCCIL as well and further development of terminals and goods-sheds is planned under the provisions of this policy. 11 existing PFTs/sidings are planned to be connected to DFC corridors, out of these three Cement sidings namely Shree Cement (New Bangurgram), JK Lakshmi Cement (New Banas) and Ultratech Cement (New Keshavganj) and existing MMLP of CONCOR (Kathuwas-New Ateli) have been connected to WDFC stations so far.

- **Covering the risks**

  In order to cover the various risks faced by DFCCIL, purchase of suitable Insurance policies is planned and an EOI was floated for appointment of Insurance broker for DFCCIL for 3 years. On completion of evaluation the Insurance broker for DFCCIL would be appointed.

- **Exploring new ideas**

  Expression of Interest for the World Bank funded study for development of freight terminals over Indian Railways and DFCCIL has been floated. Possibilities of earning through non freight revenue (NFR) initiatives like advertisements at Stations, Flyovers, monetizing of DFIS, Idle machine leasing and leasing out optical fiber, etc. are being explored.

- **Reaching out to customers**

  To develop PFTs / MMLP / Freight Terminals / Sidings / Logistics Parks and to facilitate modal shift through new Trucks on Train (TOT) / Road-Railer service possibilities, several customers were contacted. Regular meetings with several stakeholders such as TMCs (Adani Ports and Special Economic Zone Limited, International Cargo Terminals and Infrastructures Pvt. Ltd.)/ Customers (Nabha Power, Meja Thermal), CTOs (CONCOR, GRFL), Chamber of Commerce (Gujarat), Wagon Leasing companies (GATX India Private Ltd), Wagon manufacturing companies (Braithwaite & Co. Ltd, Jindal Rail Infrastructure Ltd, Titagarh Wagons Ltd, SAIL RITES Bengal Wagon Industry etc.), prospective investors, manufacturer of RoadRailer (Kirloskar), State Logistics partners (UPSIDA) & international firms (LOHR)] were held during the year.

- **Renewable Energy**

  Meetings were held with stakeholders for harnessing Solar and Wind energy on spare land along DFC corridors to make the DFC network self-reliant with green and clean energy.

- **Track Access Charge (TAC):** Draft TAC amounting INR 28,900 Lakh for FY 2020-21 of New Khurja - New Bhaupur section and New Rewari – New Madar section has been submitted to the Railway Board for approval.

  Total originating loading was 442943.26 Tonnes and earning was INR 2300 Lakh during April 2021 – March 2022. The number of rakes loaded was 418.

  Trucks on Train (TOT) Service was introduced from August 2021, 167 services were run between New Rewari - New Palanpur - New Rewari. 3456 trucks were taken off the road and an earning of INR 1,051 Lakh was realized with the saving of 8.3 lakh liters of fossil fuel and reduction of 2190 tonnes of CO_2 emissions thereby improving nation's carbon footprint.

5.5. Procurement

- **GeM Procurement:** Procurement of Goods and Services of common use took a giant leap in the year 2021-22. Contracts valuing INR 3845 Lakh were placed on GeM during 2021-22, out of which 76.18% of procurement, i.e., INR 3442 Lakh were made from MSE firms. There was a 159.64% increase in GeM Procurement in 2021-22 as compared to the year 2020-21.

- **E-Procurement:** The Works module of the Indian Railways E-procurement System was extensively used in DFCCIL in 2021-2022 for preparing E-bids as well as Online finalization of tenders for improving transparency and quick decision making. During the year 2021-2022, 114 tenders valuing INR 83,800 Lakh were published and 103 tenders valuing INR 90,000 Lakh crores were opened on the IREPS platform. 35 tenders were finalized Online on IREPS during the year in comparison to 8 tenders during 2020-21.

- **Make in India Initiative:** : The procurement being made are conforming to the provisions of Public Procurement Policy (Preference to Make in India) Order 2017. The officials involved in procurement have been regularly sensitized for ensuring compliance of the provisions. The system for redressal of the grievances of vendors on this front has been streamlined. With a view to further strengthen the policy of "Make in India", a meeting with domestic industry association was held on 04.01.2022 for understanding the nature of their grievances and guiding them on the matter. The aspects of policy requiring review/revisit have been referred to Railway Board.

6 Management

6.1. Directors

The Company being a wholly-owned Government Company, has been granted exemption from application of Section 152(6) and (7) vide MCA Notification dated 13th June 2017. 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:

6.1.1. Appointments/Extensions during the Financial Year 2021-22.

- Shri Suneet Sharma, Chairman & CEO, Railway Board as Part-time Chairman of the Company w.e.f 26.08.2021.

  [Vide Railway Board Order No. 2021/PL/61/2Pt. dated 26.08.2021, appointed by the President of India with immediate effect till he holds the post of Chairman & CEO, Railway Board or further order, whichever is earlier.]

- Shri Hari Mohan Gupta, Director/Infrastructure with extension of additional charge of the post of Director/ Project Planning w.e.f 01.04.2021.

  [Vide Railway Board's Order No. 2009/E(O)II/40/31 dated 12.03.2021, the competent authority extended the additional charge of the post of Director/Project Planning w.e.f. 01.04.2021 for 6 months, and vide letter dated 01.10.2021 & 28.10.2021, the competent authority extended the said additional charge w.e.f 01.10.2022 for another 6 months till the regularly selected incumbent joins the post or until further orders, whichever is earlier.]

- Prof. Pawan Palta as Part-time Non-official Director w.e.f 09.11.2021.

[Vide Railway Board's Order No. 2019/PL/57/22 dated 09.11.2021, appointed by the President of India for period of three years with immediate effect or until further orders.]

- Shri Amarnath Yadav as Part-time Non-official Director w.e.f. 07.12.2021.

  [Vide Railway Board's Order No. 2019/PL/57/22 dated 09.11.2021, appointed by the President of India for period of three years with immediate effect or until further orders. The appointment was made effective from the date of allotment of Director Identification Number (DIN), i.e., 07.12.2021.]

- Shri Vinay Kumar Tripathi, Chairman & CEO, Railway Board as Part-time Chairman of the Company w.e.f. 12.01.2022.

  [Vide Railway Board Order No. 2021/PL/61/2/Pt. dated 12.01.2022, appointed by the President of India with immediate effect till he holds the post of Chairman & CEO, Railway Board or further order, whichever is earlier.]

6.1.2. Appointments/Extensions after the close of Financial Year 2021-22 till the date of report.

- Shri Hari Mohan Gupta, Director/Infrastructure with extension of additional charge of the post of Director/ Project Planning w.e.f. 01.04.2022.

  [Vide Railway Board's Order No. 2009/E(O)II/40/31 dated 14.07.2022, the competent authority approved extension of the additional charge of the post of Director/Project Planning for a period beginning on 01.04.2022 and ending on 18.04.2022.]

- Shri Sudhendu Jyoti Sinha, Adviser (Infrastructure Connectivity), NITI Aayog as Part-time Official Director of the Company w.e.f. 04.04.2022.

  [Vide Railway Board Order No. 2017/PL/61/5/Pt.1 dated 23.03.2022, appointed by the President of India with immediate effect, till he holds the post of Adviser (Infrastructure Connectivity), NITI Aayog or until further orders. The appointment was made effective from the date of allotment of Director Identification Number (DIN), i.e., 04.04.2022]

- Shri Pankaj Saxena as Director/Project Planning w.e.f 19.4.2022.

  [Vide Railway Board's Order No. 2020/E(O)II/40/21 dated 24.03.2022, appointed by the President of India from the date of assumption of charge of the post or till superannuation, i.e., 31.08.2025, or until further orders, whichever is earlier. He assumed the charge on 19.04.2022 vide HR Office Order No. 274/2022.]

6.1.3. Cessations during the Financial Year 2021-22.

- Shri Suneet Sharma, Chairman & CEO, Railway Board as Part-time Chairman of the Company w.e.f 01.01.2022.

  [Vide Railway Board Order No. 2021/PL/61/2Pt. dated 26.08.2021, ceased to hold office upon superannuation w.e.f 01.01.2022]

6.1.4. Cessations after the close of Financial Year 2021-22 till the date of report.

- Shri B. Ramana Kumar as Part-time Non-official Director w.e.f 29.07.2022.

  [Vide Railway Board Order No. 2009/PL/50/13/Pt. dated 11.07.2019, ceased to hold office upon completion of term of three years from the date of allotment of Director Identification Number (DIN) w.e.f. 29.07.2022]

6.2. Director's Responsibility Statement

In terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Board of Directors state that-

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis; and

e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6.3. Declaration by Independent Directors

In terms of Section 149(7) of the Companies Act, 2013, Independent Directors, Shri B Ramana Kumar, Prof. Pawan Palta and Shri Amarnath Yadav have submitted a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In terms of Section 149(8) of the Companies Act, 2013, Independent Directors, Shri B Ramana Kumar, Prof. Pawan Palta and Shri Amarnath Yadav have given a declaration to the effect of compliance with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

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 more than the limits prescribed therein.

8 Auditors

8.1. Statutory Auditor

Pursuant to the requirements of Section 139(5) of the Companies Act, 2013, the Comptroller and Auditor General (C&AG) of India had appointed M/s Suresh Chandra & Associates, Chartered Accountants as the Statutory Auditor of the Company for the financial year 2021-22. In exercise of powers conferred by the shareholders, the Board of Directors have fixed auditor's remuneration at a fee of INR 14,00,000 (Rupees Fourteen Lakh Only) excluding taxes as per applicable rate, and out of pocket expenses.

8.2. Secretarial Auditor

Pursuant to the requirements of Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s Balika Sharma & Associates, Company Secretaries as the Secretarial Auditor for the financial year 2021-22.

8.3. Explanation/comments by Management on reservation, qualification or adverse remarks by auditors

8.3.1. Statutory Auditor's Report

The Independent Auditors' Report dated 30th June 2022 submitted by M/s Suresh Chandra & Associates, Chartered Accountants does not contain any reservation, qualification or adverse remarks.

8.3.2. Secretarial Audit Report

The Secretarial Audit Report in Form MR-3 dated 18th August 2022 submitted by M/s Balika Sharma & Associates along with Management's Reply is placed at **Annexure A** and **Annexure A1**, respectively.

8.4. Comments of Comptroller & Auditor General

The comments of Comptroller & Auditors General of India along with Management's reply are placed at **Annexure B and Annexure B1,** respectively.

8.5. Fraud reported by Auditor

8.5.1. Statutory Auditor

No fraud has been reported by the Statutory Auditor under Para 3 clause (xi) of the Annexure A to the Independent Auditor's Report.

8.5.2. Secretarial Auditor

No fraud has been reported by the Secretarial Auditor under Section 143(12) read with Section 143(14)(b) of the Companies Act, 2013 for the financial year 2021-22.

9 Risk Management

9.1. Statement indicating development and implementation of risk management policy

The Company has been continuously assessing its risks to ensure sustained business operations aligned with its long-term objectives. To effectively manage such risks, an Enterprise Risk Management (ERM) system with detailed processes and framework has been laid down. The ERM framework is spearheaded by the Risk Management Committee (RMC), a committee comprising of ED/EDFC, ED/WDFC and GM/Finance, who actively ensure that risk management activities across the Company are undertaken as per established policies. Further, the Risk Owners at all Field Units/Corporate Office Departments are made responsible for identifying and assessing the risks in their respective areas. The reports are submitted to Risk Management Co-ordinators (RMCO) in the Corporate Office and subsequently to Chief RMCO, before the final submission to RMC through respective Functional Directors. RMC further provides an enterprise-wide view of the risks to the Audit committee and to the Board.

In FY 2021-22, the Company increased the number of RMCOs from 6 to 11 to have a more diverse team of independent facilitators for risk management activities. A new software has also been designed and is being implemented for making the risk management process more decentralized and proactive. This will shift the static manual process of risk management to a dynamic automated environment which enables a feedback mechanism with respect to adherence of the risk framework processes. It will also enable the collection of information across multiple risks, multiple mitigation plans, multiple stakeholders, updating information and continuous analyses of the same.

9.2. Various elements of risk, in the opinion of Board, may threaten the existence of company

Sr. No.	Risks identified	Mitigation Initiatives by DFCCIL
1.	**Disruption of Traffic:** There is always an impeding risk of an accident on the DFC Network owing to various reasons. Any such event may cause serious and prolonged disruptions in Traffic.	Regular inspections and surprise checks are being conducted on the tracks to avert occurrence of any accident. Equipment with modern technology such as Hot Axle Box Detectors (HABD) and OMRS (Online Monitoring of Rolling Stock) are being installed along the tracks. These are part of Predictive Analytical Maintenance and will help minimise/avert accidents related to equipment failure. A Pilot project of the Machine Vision-based Information System (MVIS) is also under process in collaboration with IISc, Bangalore. MVIS will help in the automatic detection of defects and deficiencies such as hanging parts under the bogies, damaged wagons and wheel discs, missing brake pads, etc. which overcome the limitations of human inspection.
2.	**Cyber Attacks:** Working of the Company is predominantly digital. To manage the Operations of Freight Trains, the Company uses an in-house tool, namely, DFIS (Dedicated Freight Information System). But as the digital landscape is expanding, there are risks associated with it.	DFIS Application has been installed on CRIS Server where contemporary Security Certification & Licensing regulations are followed for securing the Server. Further IT Network of the Company has been audited by CERT-In Empanelled Agency recently. This exercise will help in managing the Cyber Risks and improving the Company's cyber posture.
3.	**COVID-19:** Spread of COVID-19 Pandemic resulted in exposure to Health, Safety and Completion Risk. Due to potential of widespread impacts of Covid-19 pandemic, DFCCIL projects were also vulnerable to delay and disruption.	The risk of exposure due to COVID-19 was no different for employees of the Company, Contract Workers, and others involved in DFC Project. Hence provision of masks and sanitizers was made for the employees/staff/workmen and implementation of strict COVID protocol in all the offices/construction sites of the Company was ensured.
4.	**Cash Crunch with Contractors:** Improper planning and inadequate project management by contractors has resulted in cash-flow issues thus, leading to resource shortages at sites and non-payment to sub-contractors. This could have resulted in a breach of project execution timelines.	Regular/Periodical meetings were held with PMC, Contractors and all Stakeholders to complete the work within the time frame permitted. Several cashflow crunch mitigation measures to support working Contractors were taken such as breaking/splitting of Cost Centers, additional Mobilisation Advance (MA), 80% payment of Bills passed within 48 Hrs, deferment of MA recovery, and the release of Performance Security against proportionate work done, timely fund arrangements, etc. In some special cases, payments were directly released to Sub-contractors against the extant norms.
5.	**Legal Disputes and Arbitrations:** With changing legal and regulatory landscape in the country, many legal issues are emerging. As there is a limited experience with the Company Personnel in Dispute Resolution and Arbitration, there are risks of contracts not being closed in a time-bound manner and monetary loss due to arbitration/court orders.	An empowered team of techno-legal professionals and experts is being engaged to effectively represent the Company. Amicable settlements are also resorted to in many cases to avoid & mitigate disputes. DFCCIL has implement a Standard Operating Procedure for release of pre-arbitration and pre-litigation payment to contractor to reduce interest burden and to facilitate cash-flow to contractor pending dispute. Also, capability enhancement programs for employees to minimize the disputes leading to arbitrations have been initiated.
6.	**Risk owing to Disasters:** Disasters on the DFC rail network, if any, may be a consequence of human and equipment failures, natural calamities, and acts of sabotage and comprise collisions and derailments of trains, accidents at level crossings, fires on trains; floods, cyclones, earthquakes, bomb blasts, terror attacks, etc.	The Company has a Disaster Management Plan already in place. Further, all contracts have been revised to provide for the necessary risk coverage through Insurance. SWRs (Station Working Rules) are being issued regularly for safe and methodical working.

Sr. No.	Risks identified	Mitigation Initiatives by DFCCIL
7.	**Difficulty In Handing Over Encumbrance Free Land To Contractor:** Various issues are involved in Land Acquisition. The issues are the Declaration of Multiple awards due to defects in revenue records and the involvement of multiple agencies, on-availability of Revenue Map, change in nature of Land Use, unwillingness of land losers in submission of Papers for compensation, non-handing over of land in Ward municipal area in spite of payment to PAPs & possession by state authority, non-availability of clear and unambiguous procedures/ guidelines in determination of R&R assistance for PAPs/PAFs	Regular meetings at higher levels are conducted to expedite the process of land acquisition; coordination with the State Governments for R&R activities. To fast-track R&R, enhanced cash compensation to the Non-Title Holder PAPs against housing unit has also been approved and being disbursed. Regular communication with the land losers to resolve grievances, if any. Prompt disbursement of land awards is being ensured by close liasioning with DC/ADC/SDO.
8.	**Delay in Construction of ROBs/RUBs and Utilities Shifting:** The delay is because of fund constraints with State Government, delay in Land Acquisition on the ROB Approaches and delay in construction/completion by Zonal Railways	Regular follow-up is done with the concerned State Governments for early land acquisition. The fund is also being provided to State Governments, wherever required, with the condition of subsequent adjustment to expedite the construction of ROBs/RUBs. Wherever work is not done by State Government, the Company is taking up that work on its own. Wherever Zonal Railways are involved, the matter is being followed up with them along with an additional review by Ministry of Railways.

The Company is also facing certain risks which are not under its complete control due to their inherent nature:

1. **Business risk:**

   The Company's business i.e., Traffic on DFC Tracks and subsequent reimbursement of TAC by IR are substantially dependent on the policies of the Ministry of Railways (MOR) and operations of Indian Railways. Any policy change or any adverse decision by MOR may affect the revenues of the Company. Since this is totally an external factor and out of DFCCIL's control, communication channels with MOR, for necessary deliberations and discussions, are kept open to safeguard the Company's interests.

2. **Project Cost escalation risk:**

   Expenditure on major works and structures such as major bridges, Rail flyovers, viaducts, tunnels; costs incurred for utility shifting, track alignment on detours, requirement of large quantities of earth work, ground improvement for Marine clay and black cotton soil requiring replacement with foreign soil etc. Detailed analysis of the cost components are undertaken to arrive at the reasons for cost escalation and to reduce the expenditure wherever possible.

3. **Change in Law/Taxation risk:**

   DFCCIL has been involved in mega EPC Contracts since its inception. Though GST Act came into force in July 2017, it is still undergoing several modifications. Any adverse Tax rate change or varied interpretation of GST clauses may result in increased expenses thereby impacting DFC's bottom-line. Similarly, any other changes in law by States/Centre may also impact DFC's cash outflows.

10 Particulars of Loans, guarantees and Investments

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

11 Material changes and commitments, if any, affecting the financial position of the company which have occurred between end of Financial Year and date of Annual Report

There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year and the date of the report.

12 Particulars of contracts or arrangements with related parties

The Company is a Central Public Sector Undertaking controlled by Central Government through Ministry of Railways by holding its entire shares (refer Note 15 of the Notes to Financial Statements). 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. Entities with which the Company has significant transactions with MOR, RDSO, Rites Ltd, Konkan, Railtel, IRCTC, Concor, RVNL, Indian Railway, CRIS.

(INR in Lakhs)

Nature of Transaction	For the year ended on 31st March 2022	For the year ended on 31st March 2021
MINISTRY OF RAILWAYS & ITS CONSTITUENT		
Amount received		
Receipt pending adjustment*	12,54,400.00	11,20,029.00
*Transfer towards Share Application Money (out of receipts) is INR 1,65,237 Lakhs only.		
Advance for Land	1,91,746.13	73,258.36
Advance for ROB/RUB	67,522.55	29,722.75
Amount paid		
For Tower Wagon	6,642.17	205.12
For Service towards Trolly Refuge	266.44	-
For Connection of IR Track	500.00	-
For Construction of quarters	600.00	-
Advance towards Shifting of Utility, Capital Advance, ROB Works and Construction of Flats, Road.	61,864.80	52,301.07
Purchase of FA Tower Wagon	3,333.24	1,689.52
ON BEHALF OF MINISTRY OF RAILWAYS		
Land facilitation expenses	2,108.49	1,158.55
Cost Sharing towards RCC Bridge Works	5,094.00	3,600.00
Cost Sharing towards ROB/RUB	98,202.02	-
INCOME		
Track Access Charges	1,94,915.31	28,988.84
Rental Income	-	221.91
EXPENSES		
Machine hiring Charges	234.42	-
Supervision Charges	25.42	21.19
Design & Construction	110.39	-
Software/Seminar / Consultancy/Other Expenses	1,109.62	2,025.91
ENTITIES UNDER MINISTRY OF RAILWAYS		
Amount paid/payable		
Railway Design and Standards Organization(RDSO)		
-- Recruitment Expenses	2.14	-
-- Inspection Charges	86.21	27.17
Rail India Technical and Economic Services Private Limited (Rites Ltd)		
-- Advance For ROB/RUB	53.80	156.01
-- Project Management Consultancy services	4,188.20	5,709.17
-- Electrical Repair	225.00	-
-- Inspection Charges	126.29	122.48
-- EMD	-	10.74
-- Refund of Security Deposit	3.16	-
Konkan Railway Corp. Ltd		
-- Advance towards Utility Charges	9.77	-

(INR in Lakhs)

Nature of Transaction	For the year ended on 31st March 2022	For the year ended on 31st March 2021
Indian Railway Catering and Tourism Corporation (IRCTC)		
-- Inspection Charges	53.12	6.68
Rail Vikas Nigam Limited (RVNL)		
-- Advance for IR Connectivity	1,736.14	-
-- Adv for Construction/purchase of Flat/GH-HO	-	575.24
Railtel		
-- Professional & Consultancy Charges	42.71	17.52
-- Internet & Telephone Charges	504.45	26.51
-- Computer & Software Charges	17.10	7.46
-- Annual Maintenance Charges	146.91	-
Amount receive/receivables		
CONCOR		
-- Application Fee Received for PFT Policy	9.90	-
-- Overhead Charges	89.62	-
-- Advance for Deposit Work & Other	7,200.18	435.00
Total	**19,03,169.70**	**13,20,316.18**

13 Corporate Social Responsibility

A report on Corporate Social Responsibility pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is placed at **Annexure C**.

14 Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

14.1. Conservation of Energy

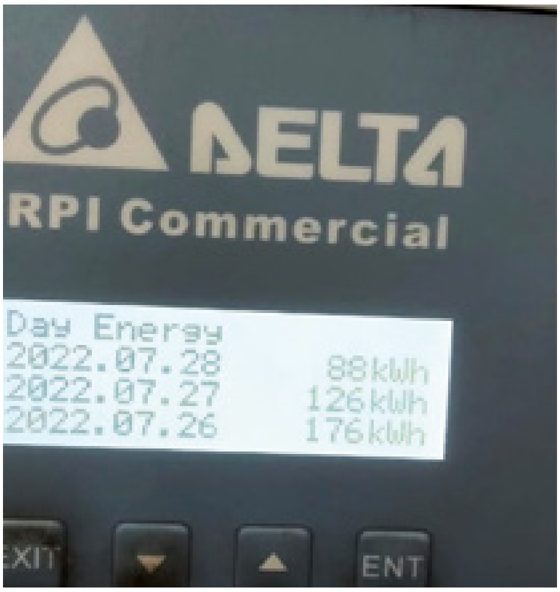
Steps taken or impact on conservation of energy

- Adopted Variable Refrigerant Flow based Heating Ventilation & Air-Conditioning system (VRF-HVAC) for the Corporate Office with centralized monitoring & control features. All old outdoor units were replaced with new.
- Proposed to deploy an internet-based energy monitoring and control solution at Corporate Office. An Energy Management System based on smart metering & cloud-based application is under procurement. The system offers dual advantage of monitoring energy consumption pattern as well as saving energy. The solution shall comprise of energy monitoring at various load 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.
- Provided LED-type fittings in all facilities across the Company.
- Developed the new Corporate Office building in NCR based on green building. The new building has received GRIHA Platinum rating by Indian Green Building Council. The new building is designed to include energy conservation measures such as HVAC with inverter technology, occupancy sensors, solar plant, natural lighting and water harvesting/recycling to comply National Building Code norms.

- Conceived fully electrified tracks on the freight corridors. The freight shall be hauled by electric locomotives having 3-phase technology which facilitates regeneration of 14%-15% of energy consumed by utilizing the braking energy for traction purpose. The Ministry of Railways is procuring IGBT based 7000kw/9000hp 3Ø locomotives with state-of-the-art features such as VVVF drive, vehicle control unit, vigilance control, constant mode of operation features, etc. These locomotives have inherent energy efficiency over GTO based locomotives currently in use in railways. This is likely to fetch carbon credits under clean development mechanism (CDM) projects of the United Nations Framework Convention on Climate Change (UNFCCC) and will be pursued when system is fully commissioned and operations stabilize.

Steps taken by the company for utilizing alternate source of energy

- All station/service buildings, OCC & RHQ are planned to have provision of solar plant. Total proposed capacity is 645 kWp to be commissioned in phased manner.



- DFCCIL has commissioned 50 kwp grid connected Solar Power plant in "Operations Control Centre" (OCC) Building in Prayagraj. The plant has generated over 64000 units since commissioning IN Sep-2021.

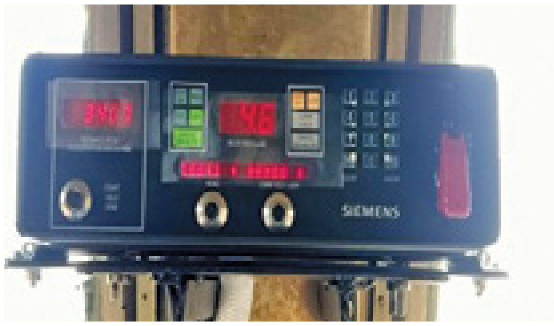
- Discussions with different stakeholders are being done to assess the feasibility for installation of solar plants along the tracks.

- 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.

14.2. Technology absorption

- Installation/implementation of technologically upgraded instruments/systems over DFC routes such as Acoustic Bearing Detector (ABD), Wheel Impact Load Detector (WILD) and Machine vision based Inspection of Rolling Stock (MVIS), Hot Axle Hot Wheel Detector (HAHW), Hot Axle Box Detector (HABD), Rail Cum Road Vehicle (RCRV) and Distributed Power Control System (DPCS).

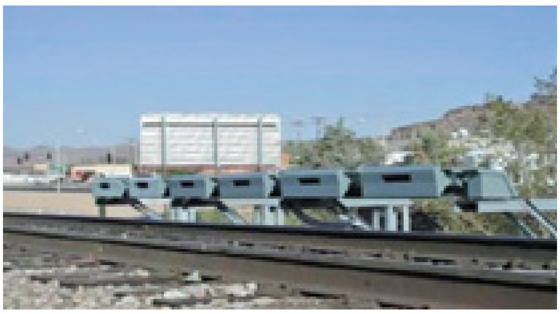
- End of Train Telemetry (EOTT): EOTT establishes radio communication between the locomotive driver and the last wagon of the train to ensure integrity/completeness of the rake. The various advantages of this system are elimination of requirement of Guard/Guard Van, easy attachement of additional wagon in the rake. The trial of EOTT over EDFC was successfully done by ELS/CNB based locos.



- Acoustic bearing detector (ABD): Acoustic Bearing Detector is a technology engineered to enhance safety & efficiency of Rail Transport. Roller Bearing's health is one of the decision makers in deciding the safety of Rail Transport. Trackside Acoustic Detection System is designed to monitor roller bearings and identify the same with internal defects prior to overheating, costly train stops, and ultimately failure. This technology enhances equipment performance and prolongs infrastructure life.

- Wheel Impact Load Detector (WILD): It is an unmanned intelligent trackside data acquisition system that measures the dynamic impact load of wheels on the track. It is a useful 'wayside detection system' for safety and asset reliability in train operation. WILD system helped to reduce the railway maintenance cost significantly by identifying the damage causing wheels for quick removal. Out of round wheels produce very high impact loads which result in normally imperceptible damage. Such impact loads sustained over long term leads to premature failure of rail, wheel, bearings etc. With rising axle-loads the severity of this type of damage increases. WILD records load of all wheels passing over the instrumented rail and these loads may be normal wheel loads or loads coming on rails due to many possible defects in rolling stocks. Various possible causes for heavy loads are wheel flats, shelling marks, out of roundness of wheels, suspension problems, misalignment of bogies, etc. and the reasons for such heavy loads are recorded through "WILD".

- Hot Axle Hot Wheel Detector (HAHW): It detects axle box and wheel tread which are running abnormally hot and measures the temperatures as well. It detects the same up to a speed of 100 Kmph of rolling stock. It automatically transmits data, alarms and reports to the end users.



- Machine Vision Based Inspection of Rolling Stock (MVIS): Current practice for preventive maintenance inspections of rolling stock over DFC is largely based on manual inspection which is either trackside or pit examination of stock in stationary or slow moving condition. Visual inspections are performed by trained manpower either in a pit or trackside location but remains dependent on individual judgment. Besides, the stationary inspection deprives the maintenance staff of significant information of dynamic behavior of the vehicle. Automated inspection by machine vision based systems has the potential to overcome these limitations of human inspection. The systems can be placed closer to the track or between the rails where it may be considered unsafe for a human to be positioned when a train passes. Machine Vision Inspection System is an artificial intelligence system fitted in terms of high resolution camera and fittings around the track to detect abnormalities in wagons while in motion. It can detect rolling stock hanging parts, broken springs, displaced springs, axle end cover failure, hopper door defects, wheel defects etc. To explore the benefits of MVIS, suppliers (M/s Voestalpine, M/s Wabtec and M/s Trimble Beema Vision etc) have been contacted and video conferences were arranged with team of DFCCIL.

  Operational capability requirements –

  - Operating speed: 5 to 100 Kmph.
  - Train length: upto 600 axles.

  An MOU has been signed with Indian Institute of Science (IISc), Bengaluru for developing MVIS which would cater en-route freight unusual at high speed.

- Hot Axle Box Detector (HABD): Seven HABDs have been installed over DFC routes for detecting hot box. 5 hot axle cases and 15 brake binding cases have been detected by the system so far since Nov 2021. Additional HABDs are also being installed over EDFC & WDFC to cater hot axle box and brake bindings.

- Rail Cum Road Vehicle (RCRV): It moves on road as well as rail. RCRV shall be based at selected IMD to attend en-route minor wagon defects or derailments. It is equipped with Hydraulic re-railing equipment, hydraulic rescue device and firefighting equipments, etc.

- Distributed Power Control System (DPCS): DPCS allows multiple locomotives to be used at different locations over entire train consist. System leverages the existing rolling stock and allows much longer trains to be run by minor up gradation of the locomotives. It is operated for long haul operation. DPCS uses only manning in leading locomotive.

- Adoption of Crew Management System (CMS) & Freight Management Module (FMM) over DFC: Abnormalities reported by crew through CMS are being taken up for action by DFC and after action taken the same reports are being closed by OCC/TRS through CMS. All unusual are being fed in FMM for EDFC & WDFC. FMM application is being used for tracing wagon for last examination, PRO particulars, BPC, maintenance history of particular wagon etc.

- Dedicated Freight Information System (DFIS): Self-Managed Reporting Terminal (SMART) is being used for monitoring & targeting weekly task. Through train visibility module, freight trains are traced for attending en-route unusual obtained through HABDs. Various reports are used for analysing data for improving average speed of trains over DFC. Apart from this DFIS also includes Accident/Derailment register tab, Loco failure movement register tab, New Crew Profiling tab, Search for crew tab, Rest Room Register tab and Message book Register tab and helps in management of operations. Even block management is being implemented through DFIS.

- Adoption of Gas Insulated Switchgear (GIS) Technology: For the first time over Indian Railways (IR) GIS technology based switchgear has been commissioned at Kharbao, accommodating TSSs of DFCCIL as well as IR. This has resulted in avoiding infringement to DFCCIL alignment & saving of space (about 1/10-1/20th of that of AIS substation) in Kharbao, Maharastra where land is scarce. The facility also has integrated power supply arrangement with IR TSS to achieve energy efficiency during operation from common grid of MSTCL. This will be instrumental in initiating a quantum jump in innovation and technology in the field of Traction Sub-Stations in India.

- Adoption of 2x25 kV at Feeding System: DFCCIL has adopted 2x25kV AT feeding system for heavy haul traction requirements. 25 kV AT feeding system is being used worldwide over high traffic density routes of freight & passenger electrified mainlines in South Korea, Japan, China, France, Russia & Spain. It will enable long haul & heavy haul operation with following advantages:

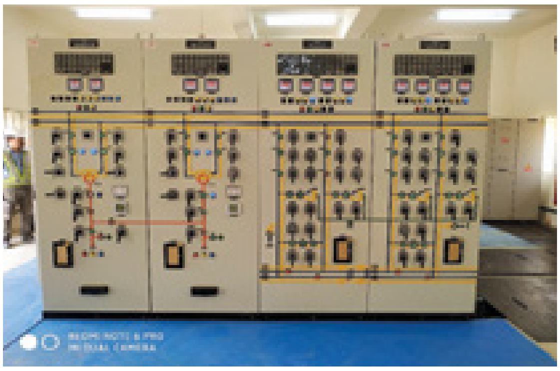
  - o Operation of higher tonnage (6500/13000 T) freight trains at higher speeds.
  - o Reduced unbalance on the utility transmission network due to use of three phase EHV connection
  - o Increased voltage regulation in spite of hauling heavier loads.
  - o Higher spacing between sub-stations (60-90km)
  - o Reduced inductive interference due to minimized return current.

- o As per study conducted by UIC, electrical distribution efficiency for 2x25 kV is 97.6% against 92.95% efficiency in 25 kV system

- Dynamic Power Factor Correction Equipment: To maintain system efficiency, all Traction Sub-Stations are being provided with Dynamic Power Factor Correction Equipment for maintaining the power factor above 0.95. The system is working on voltage source converter technology for real time PF compensation.

- Development of non-invasive Rail Earth Clamp for Earthing and Bonding: Existing practice in Indian Railways is to drill holes in track rails to provide bonding of rails with OHE structures to achieve safety of personnel's from step and touch potentials and faster clearing of faults. Drilling of holes into the rail web, may affect structural strength of rail. This invasion becomes acute in case of heavy haul and high speed railways, on account of high impact load on the track structures. In order to overcome this problem rail Earth Clamp has been developed which ensures a rigid electrical connection between the metallic bond and the rail, without drilling of holes on the rail web, while also ensuring a rigid and effective contact for passage of the short circuit current (as well as normal return current from the locomotive).

- Adoption of Numerical protection and Auto Fault Locator: Protection system is designed with intelligent numerical protection system for speedy fault isolation as per IEC 61850 with recording & analysing capabilities. To further supplement the protection system, Auto Fault Locator (AFL) has been provided in the control posts for identification of accurate fault locations with a accuracy of ± 200 mtrs. On actuation of the protection relay the AFL analyses the AT neutral current in the affected section and sends fault location to Operation Control Centre for display in SCADA. This feature can be further synchronized with SCADA for auto segregation/ localisation of fault.



- Electronic Interlocking: Electronic Interlocking, an advanced signalling system used worldwide has also been introduced on DFCCIL. Electronic Interlocking system has several advantages over Electro-Mechanical or Conventional Panel Interlocking, such as reduced space requirements, self-diagnostic features, safety and reliability etc. Electronic Interlocking (EI) system is a microprocessor based interlocking equipment to read the yard and panel inputs; process them in a fail-safe manner as per selection table and generate required output for train control & operation.

- Automatic block signalling (ABS): Automatic block signalling (ABS) is a method of railway signalling whereby a railway line is divided into a succession of track sections or blocks. Multi Section Digital Axle counters are installed at the ends of these sections to enable continuous train detection along the rail line. These axle counters then control the stop signals, governing train entry into an automatic block section. ABS makes it possible for trains travelling in the same direction to safely follow each other without the risk of rear-end collisions. This makes the use of an ABS system very cost-effective and leads to an increase in capacity.

- Train Management System (TMS): Train Management System (TMS) is an integrated real-time Traffic Management System that offers monitoring of train movements. TMS monitors & provides the status of signals, track circuits and points etc. from the station interlocking system on a real time basis. TMS also obtains the train/rake identification details from the originating point of the TMS zone/territory or through DFIS for trains coming from IR territory. This information is processed and used to monitor the movement of trains and facilitates timely decision making for efficient train operation.

- Global System for Mobile Communications-Railway (GSM-R): The Global System for Mobile Communications-Railway (GSM-R) delivers digital, secure and dependable communications between drivers and signallers. This helps to increase safety for drivers & maintenance teams, reduce delays in communication, ensures faster & more effective response to potential hazards and improve performance in train operation. GSM-R delivers direct radio driver-signaller communications at all times including areas such as tunnels and deep cuttings, where radio communications have not previously been possible.

- Train Collision Avoidance System (TCAS): Train Collision Avoidance System (TCAS) is an indigenously developed Automatic Train Protection (ATP) System which will be adopted in EDFC to provide protection to trains against Signal Passing at Danger (SPAD), excessive speed and collisions. TCAS provides continuous update of Movement Authority, hence during unsafe situations when brake application is necessitated, and the Crew has either failed to do so, or is not in position to do so, automatic brake application shall take place. TCAS has additional features to display information like speed, location, distance to signal ahead, Signal aspects etc. in Loc Pilot's cab and generation of Auto and Manual SOS messages (Distress messages) from Loco as well as Station unit in case of emergency situation. Display of signal aspects in drivers cab will greatly improve the train operation in thick foggy weather.

- Train Protection and Warning System (TPWS): Train Protection and Warning System (TPWS) is a system preventing SPADs, approach of a singal too fast, approach speed restrictions to fast and train crashes, in addition to the Automatic Warning System. It works by having two sensors placed in advance of the signal and using the time in which it takes a train to pass the two sensors to detect the train speed and by having information of signalling aspects, it monitors the driver's response to it. If driver fails to achieve appropriate speed control, automatic braking take place. It is being provided in WDFC.

  Service & Diagnostic system: Service & diagnostic system are being employed as a maintenance aid. This will provide visibility about the condition of signalling gears facilitating timely decisions to carry out need based maintenance which in turns reduces the maintenance cost & efforts.

14.3. Foreign Exchange Earnings and Outgo

Foreign Exchange Earning	- Nil
Foreign Exchange Outgo	- INR 1,54,414.04 Lakh
Interest Outgo	- INR 8,767.19 Lakh
Tour & Travelling Expenses	- Nil
L.C. Charges on JICA Loan Charges	- INR 72.25 Lakh
Commitment fee for Loan	- INR 111.44 Lakh
Consultancy (Form 15CA/CB) & Work	- INR 87,419.65 Lakh
Repayment of IBRD Loan	- INR 58,043.51 Lakh

15 Material Orders of Judicial Bodies/Regulators

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

16 Compliance with Secretarial Standards

During the year under review, the Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

17 Annual Return

In terms of Section 134(3) of the Companies Act, 2013, the Annual Return for the financial year 2021-22 in Form MGT-7 is placed on the website of the Company at https://dfccil.com/Home/DynemicPages?MenuId=307.

18 Vigilance

Vigilance is an integral function of the organization like other functions of management. If the Vigilance setup is effective in an organization, it will certainly ensure the functioning of other segments in an effective way. DFCCIL has given rightful place to Vigilance in the overall management of the organization.

Vigilance department, DFCCIL is the nodal section for handling all vigilance matters of the Company. It is being headed by a full time Chief Vigilance Officer (CVO) and supported by a Dy. CVO. The Vigilance branch has other officers drawn from various areas of specialisation like Civil, Electrical, S&T Engineering, Finance, HR and Administration.

The role of vigilance in DFCCIL is multifarious. It undertakes preventive vigilance activities, punitive vigilance activities and various system improvements, etc. The Vigilance Department lays high degree of emphasis on preventive vigilance and strives to study and analyse the systems and procedures to understand the loopholes and inadequacies that might be prone to corruption and suggest necessary system improvements. Besides, the Vigilance Department focuses on generating awareness among the officials and staff for anti-corruption measures, etc.

Preventive Vigilance and Complaints

- Total 12 Preventive Checks (PCs) were registered and 20 PCs (including that of previous Financial Year) were disposed of during the year. The preventive Checks included areas and issues on discrepancy on Foreign Service contribution, assessment of recruitment process in DFCCIL, check on quality aspects, check on Immovable Property Returns, check on land award, check on award of contracts and contract management, utilization and recovery of mobilization advance, etc.
- DFCCIL has well defined complaint handling policy which is also available under the vigilance section on DFCCIL's official website, wherein the procedure for sending and handling of the complaints has been clearly indicated. During the year 2021-22, total 36 complaints were received and 35 were disposed of.

Other Vigilance Activities

- A total of 16 Central Vigilance Commission/ Railway Board references were received and disposed of. These related to appointment of Independent External Monitors, progress report on implementation of Integrity Pact, rationalization of CVO postings, implementation of policies and guidelines issued by CVC during the year 2021-22, compliance related to VC meeting with Central Vigilance Commission and Railway Board in respect of CTE paras, information related to cases of L-1 backing out, etc. The compliance/reply of the same were sent to the concerned authority during the year.

- Scrutiny of Internal Audit Report, Statutory Audit Report & CAG Audit Report (01 each) was undertaken during the year. As a result of the scrutiny, 09 paras were taken for detailed investigation. Internal & Statutory Audit Report for the Financial Year 2021-22 is being examined.

- Total 100 Immovable Property Returns were scrutinised during the year.

- During the year vigilance clearance status were given to 1041 officials.

- Chief Technical Examiner's Intensive Examination Reports: During the year 09 Chief Technical Examiner paras were addressed by submitting detailed Investigation Reports. Various paras on quality aspects of blanket material, structures, contract management were undertaken. Various stakeholders like Research Design and Standards Organisation, National Test House, Bureau of Indian Standards were contacted to ensure a full and complete report for perusal of Central Vigilance Commission. It is imperative to indicate that Chief Technical Examiner wing of Central Vigilance Commission has undertaken the Intensive examination of 05 different contracts in DFCCIL during the preceding years. As a result of these inspections, 90 paras were generated that were sent to Vigilance Department, DFCCIL for necessary action. All these 90 paras have been concluded by Vigilance Department, DFCCIL and remarks/reports were sent to Central Vigilance Commission. A number of these paras have resulted in system improvements that have been implemented by the Management.

- 15 number of system improvements were recommended by the Vigilance Department as a result of the investigation which were all accepted by the Management and in few cases, Management is in the process of implementing these.

- A total of approximately 661 officers were imparted 12 training programmes as per the training content developed by DPE on 'Preventive Vigilance' (Reference: DPE letter No.13(1)/2020-MGMT dated 9.11.2020).

Nomination of Independent External Monitor

- Shri V Kannan, Ex-CMD/Vijaya Bank and Smt. Rashmi Verma, IAS (Retd.) have been appointed as Independent External Monitor in DFCCIL on 15.04.2021 for three years in compliance of Central Vigilance Commission's directions for monitoring the implementation of Integrity Pact and dispute resolution among the stakeholders.

- During the year, 02 meetings of Independent External Monitors were held with the Management of DFCCIL in respect of implementation of Integrity Pact, etc.

Vigilance Awareness Week - 2021

- As per the directives of Central Vigilance Commission, Vigilance Awareness Week - 2021 was observed in DFCCIL from 26.10.2021 to 01.11.2021 on the theme "Independent India@75: Self Reliance with Integrity; स्वतंत्र भारत@75: सत्यनिष्ठा से आत्मनिर्भरता" A number of steps were undertaken by Vigilance Department to create awareness as well as to educate the officials regarding issues related to Vigilance, etc. The highlights of Vigilance Awareness Week - 2021 are summarized as below-

- Pledge taking ceremony was held at 11:00 hrs. on 26.10.2021. MD/DFCCIL administered the Pledge to officials of DFCCIL. All the employees were informed to take Integrity Pledge preferably via online mode. Moreover, all the contractors, vendors and other concerned were also encouraged to take Integrity Pledge. Posters and banners were also displayed at the DFCCIL premises.

- A Quiz Competition was organized on 26.10.2021 at Corporate Office mainly consisting of topics related to Anti-Corruption and other issues related to vigilance. A total of 08 teams, each consisting of 03 members, participated in the competition. Teams securing first, second and third positions were awarded suitably.

- A slogan writing competition was organized. Officials, including those from Field Units, and also outsource staff participated in the competition. The best slogans were rewarded and selected slogans were also displayed as posters during the week.

- A lecture on 'Rigging in Contracts' was presented by Ms. Garima Bhagat, Commissioner/Income Tax on 27.10.2021 at Corporate Office. The lecture was attended by senior officers of DFCCIL. The lecture was very interactive and was well received by the officials of DFCCIL.

- An award-winning Movie was showcased on 28.10.2021 for the officials and staff of DFCCIL at Corporate Office. The movie was very relevant and consisted of issues related to corruption and was very impactful especially for creating awareness.

- A 'Nukkad Naatak' was organized on 29.10.2021 at entry/exit gate of Supreme Court Metro station and also at DFCCIL premises. The event was attended by more than 100 people and was very well received and widely appreciated.

- A Vigilance Journal 'Sanchetna' was published and was unveiled on 01.11.2021. The design, concept and content of the Journal was very well appreciated in DFCCIL. The

Journal, as intended, will work as a tool for creating awareness and information sharing.

- Social Media platforms such as WhatsApp, Facebook and Twitter were also used effectively to disseminate the idea of Anti-Corruption. Customized short videos were circulated in the WhatsApp groups of the Company Employees. The videos were based on the theme of Anti-Corruption, Integrity and Honesty, etc.

- All the Field Units of DFCCIL participated in the Vigilance Awareness Week - 2021. Various events such as distribution of pamphlets, quiz competition, essay writing competition, slogan writing competition, poem writing competition, etc. were organized in DFCCIL Field Units and also in schools and colleges. Sensitization workshops were also conducted in Ambala field unit, Meerut field unit, Vadodara field unit. Grievance redressal camps were organized for outsource staff/ security staff/contractors working under Vadodara & Kolkata field units.

19 Other Compliances

19.1. Rajbhasha

Official Language Policy

During the FY 2021-22, greater emphasis was laid on maximum use of Official Language and ensuring 100% compliance of Official Language Policy in DFCCIL Corporate Office and Field Units. In this regard, following activities promoting the official language were organized -

- Quarterly meetings of Official Language Implementation Committee were organized online every quarter at Corporate Office. The quarterly progress report related to official language were sent to the Ministry of Railways, Ministry of Home Affairs, and Town Official Language Implementation Committee (Undertaking-2) within the stipulated time.

- “Hindi Pakhwada” was organized at Corporate Office from 14.09.2021 to 18.09.2021 to promote the use and to propagate the Official Language. During the Hindi Pakhwada, various Hindi competitions were organized for the officers and employees of DFCCIL and the first, second and third place winners were awarded by the Managing Director.

- A Hindi seminar was also organized on Hindi Diwas during which speeches and lectures were given on the importance of Hindi language.

- A Hindi workshop was organized for imparting training in Hindi to the officers/employees working in various departments and field units in which about 28 officers/ employees were trained.

- The work of bilingualization of DFCCIL website (Hindi-English), though an ongoing process, is constantly updated with necessary improvements.

- To ensure 100% compliance of Section 3(3) of the Official Language Act, 1963, office orders, circulars, notices, notifications, advertisements, tenders, etc., in the nature of fixed format, were prepared and issued in bilingual form.

- Various incentive schemes have been implemented in the Company to increase the use and propagation of Hindi language, the benefits of which are being availed by the employees and officers of Corporate Office and Field Units.

- Parliamentary Committee on Official Language inspected the compliance of Official Language Policy in the office of Chief General Manager/Mumbai on 29.12.2021. The work of the Company was appreciated by the committee.

- From time to time, innovative programs to convey meaning in Hindi by reciting poetry in Indian languages were organized during the year.

- The birth anniversary of renowned Hindi poet Dr. Harivansh Rai Bachchan and Suryakant Tripathi Nirala ji was celebrated.

- The departmental Hindi magazine “Manthan” was published once in every six months and the sixth issue was published as a project special issue.

- Under the aegis of Town Official Language Implementation Committee, the Company organized the Official Language Conference on 09.03.2022.

Achievements

- Awards were given to 25 officers and employees who have done commendable and remarkable work in Hindi during the year.

- Rail Mantri Rajbhasha Silver Medal was awarded to Shri Hari Mohan Gupta, Director/Infrastructure by Ministry of Railways.

- The Company was conferred with Rajbhasha Sopan Puraskar for best performance in the field of Official Language by Indian Language and Culture Center (a non-government institute).

19.2.RTI Act, 2005

- The enactment of the Right to Information Act, 2005 is a historic event in the annals of democracy in India. The Act mandated a legal – institutional framework for setting out the practical regime of right to information for every citizen to secure access to information under the control of Public Authorities, in order to promote transparency and accountability in the working of every Public Authority.

- DFCCIL has been able to fulfil the mandatory requirements as well as its obligations toward the citizens in providing information sought for by them. The Chief Public Information Officer at the Corporate Office coordinates with the project offices situated in different geographical locations in the country through the designated Assistant Public Information Officers and the nodal officers for the purpose, as the case may be, for obtaining information in the desired format and within stipulated time period so that the same can be sent to the applicant in time.
- Under the mandatory requirements the duties and responsibilities of an Appellate Authority have been assigned to the Group General Manager/ General Manager (Administration). The Chief Public Information Officer represents the Company in the hearings in the Central Information Commission's (CIC) Office and ensures implementation of the Hon'ble CIC's order in coordination with the concerned project office or Directorate, as the case may be.
- During the FY 2021-2022, a total of 1642 applications (including 178 Appeal cases) were received and replied to within the stipulated time period. All the replies have also been uploaded on the website of the Company (https://dfccil.com/Home/DynemicPages?MenuId=52). The status of RTI replies is updated regularly on DFCCIL website.

19.3.Parliament Questions

Dealing with Parliamentary matters calls for utmost accuracy, swiftness and confirmation to the prescribed norms and procedures as laid down by the nodal authorities. An officer has been designated especially for dealing with all Parliamentary matters in coordination with other Directorates in DFCCIL. During the year 2021-2022, a total of 69 Parliament references such as Parliament Questions, matters pertaining to Zero-hour, Lok Sabha Estimate Committee, Public Accounts Committee & Standing Committee on Railways, etc. were received. All the references have been dealt with as per the norms/procedures laid down for dealing with such important references and replied in time.

19.4. MCA-21 E-filing

During the year under review, the Company filed all the statutory forms and returns electronically as per the manner and conditions for filing prescribed under Companies (Registration Offices and Fees) Rules, 2014. The financial statements for the year under review were filed in accordance with the requirements of Section 135 read with Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015.

19.5. MoU

For the year 2020-21, the Company had obtained "Excellent" ranking for MoU by Department of Public Enterprise through Ministry of Railways.

For the year 2021-22, the Company has been exempted from the applicability of MoU Guidelines vide DPE Letter No. M-03/0012/2021-DPE(MoU) dated 30.11.2021.

20 Application made or proceeding pending under Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year

No application has been made nor is any proceeding pending against the company under the Insolvency and Bankruptcy Code, 2016 during the financial year under review.

21 Change in nature of business

There has been no change in the nature of business of the Company during the year under review.

22 Maintenance of cost record

The Company is not required to maintain cost records as the provision of Section 148(1) of the Companies Act, 2013 is not applicable to the Company.

23 Valuation with reference to one-time settlement and loan taken from Banks and Financial Institutions

During the year, no one-time settlement has been done with any Bank or Financial Institution. Hence, the requirement of disclosing the difference of details between amount of valuation done at the time of one time settlement and the valuation done while taking loan from Banks or Financial Institutions is not applicable to the Company.

24 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 Workplace (Prevention, Prohibition and 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.

25 Corporate Governance

In terms of Companies Act, 2013 read with Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE), the Corporate Governance Report highlighting the philosophy of the Company on the Corporate Governance, composition of Board of Directors and of its Committees, including the attendance of Directors in various meetings and other relevant disclosures is placed at **Annexure D**.

The Corporate Governance Report comprises the following:

- Certification of Financial Statements by Chief Executive Officer and Chief Financial Officer is placed at **Annexure D1**.
- A declaration signed by Managing Director affirming the compliance with the Code of Business Conduct and Ethics by Board Members and Senior Management Personnel during the year 2021-22 is placed at **Annexure D2**.
- A Certificate from Company Secretary in Practice regarding compliance of Corporate Governance Guidelines issued by Department of Public Enterprises is placed at **Annexure D3**.

A Management Discussion and Analysis Report is placed at **Annexure E**.

26 Acknowledgement

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

The Board of Directors acknowledge with thanks the co-operation extended by Comptroller & Auditor General, 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 Company 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

	Sd/-	Sd/-
	Hira Ballabh	**R. K. Jain**
Date: 22.09.2022	Director/Finance	Managing Director
Place: New Delhi	DIN: 08738632	DIN: 08641707

Annexure – A

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2021-22

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Dedicated Freight Corridor Corporation of India Limited
5th Floor, Supreme Court Metro Station Building Complex
New 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, 2021 and ended on 31st March, 2022 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, 2022 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, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   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, 2018; and

   i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Being an Unlisted Public Company, the above mentioned Acts given in Para 2, 3, and 5 are not applicable to the Company.

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 no women 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 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/-
Balika Sharma & Associates
Company Secretaries
FCS No.: 4816
CP No.: 3222
UDIN: F004816D000809611

Place: New Delhi
Date: 18.08.2022

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.

ANNEXURE I

To,
The Members
Dedicated Freight Corridor Corporation of India Limited
5th Floor, Supreme Court Metro Station Building Complex
New 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 not the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Balika Sharma & Associates
Company Secretaries
FCS No.: 4816
CP No.: 3222
UDIN: F004816D000809611

Place: New Delhi
Date: 18.08.2022

Annexure – A1

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
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors **except there is no Women Director on the Board**.	As per Article 81(1) of Articles of Association of the Company – 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, death or otherwise. The Management of the Company has made representations to the Ministry of Railways to appoint a Women Director on the Board of the Company.

Annexure – B

संख्या/ पी.डी.ए./आर.सी/AA-DFCCIL/48-29/2022-23/271 दिनांक: 14.09.2022

सेवा में,
प्रबंध निदेशक,
डेडिकेटेड फ्रेट कारपोरेशन ऑफ इंडिया लिमिटेड,
5वीं मंजिल, सुप्रीम कोर्ट मेट्रो स्टेशन बिल्डिंग कॉम्प्लेक्स,
नई दिल्ली – 110 001
महोदय,

विषय: 31 मार्च 2022 को समाप्त वर्ष के लिए डेडिकेटेड फ्रेट कॉरिडोर कॉर्पोरेशन ऑफ इंडिया लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ |

मैं, डेडिकेटेड फ्रेट कॉरिडोर कॉर्पोरेशन ऑफ इंडिया लिमिटेड के 31 मार्च 2022 को समाप्त वर्ष के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ |

कृपया इस पत्र की संलग्नको सहित प्राप्ति की पावती भेजी जाये |
संलग्न : यथोपरि

भवदीय,
विक्रम डी. मुरुगराज
प्रधान निदेशक (रेलवे वाणिज्यक)

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 2022.

The preparation of financial statements of Dedicated Freight Corridor Corporation of India Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory 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 them vide their Audit Report dated 30 June 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Dedicated Freight Corridor Corporation of India Limited for the year ended 31 March 2022 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records.

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

A. Comments on Financial Position

Non-Current Assets

(a) Property, plant and equipment (Note No. 3) – INR 22,75,957.10 lakh.

(b) Capital work in progress (Note No. 4) – INR 41,67,668.12 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 clause 5.9 of the agreement, Ministry of Railways will utilize the network and pay Track Access Charges to the Company.

As per Para 11 of Ind-AS 115 (Appendix-D), such infrastructure created under Service Concession Agreement cannot be recognized as, Property, Plant and Equipment.

The Company has recognized 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' is overstated by INR 22,75,957.10 lakh, 'Capital work in Progress' is overstated by INR 41,67,668.12 lakh and correspondingly 'Intangible Assets / Financial Assets (under development)' is understated by INR 64,43,625.22 lakh".

Similar comment was issued by the Comptroller & Auditor General of India on the financial statements of the Company for the year 2020-21.

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

Sd/-
Vikram D. Murugaraj
Principal Director of Audit
Railway Commercial, New Delhi

Place: New Delhi
Dated:14.09.2022

Annexure – B1

Management Reply to the Comment of Comptroller and Auditor General of India

Comment of Comptroller and Auditor General of India	Management Reply to the Comment of Comptroller and Auditor General of India
Comment on Financial Position Non-Current Assets (a) Property, plant and equipment (Note No. 3) – INR 22,75,957.10 lakh. (b) Capital work in progress (Note No. 4) – INR 41,67,668.12 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 clause 5.9 of the agreement, Ministry of Railways will utilize the network and pay Track Access Charges to the Company. As per Para 11 of Ind-AS 115 (Appendix-D), such infrastructure created under Service Concession Agreement cannot be recognized as, Property, Plant and Equipment. The Company has recognized 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' is overstated by INR 22,75,957.10 lakh, 'Capital work in Progress' is overstated by INR 41,67,668.12 lakh and correspondingly 'Intangible Assets/Financial Assets (under development)' is understated by INR 64,43,625.22 lakh". Similar comment was issued by the Comptroller & Auditor General of India on the Financial Statements of the Company for the year 2020-21.	a) 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 be paid Track Access Charges for use of this facility. The amount shown in the Financial Statements under Capital Work in Progress/Property, Plant & Equipment represents the expenditure incurred by DFCCIL on construction of Eastern and Western Dedicated Rail Freight Corridors. b) However, C&AG had different view on such classification in the financial statement for the year ended 31st March 2018 saying that as per IND AS 11 the company is required to give relevant disclosure regarding construction contracts and as per in IND AS 11 (Appendix B) the disclosure regarding concession agreement is required and thus, the notes to the financial statement of the Company are deficient. c) Above contention of C&AG office will imply that the expenditure incurred to DFCCIL project cannot be shown as Capital Work in Progress/PPE but will be shown as Financial Asset/Intangible asset. Later, IND AS 115 became applicable in place of IND AS 11 which carried similar provisions in respect of Concession arrangements. d) Subsequently, a reference was made to the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) by DFCCIL for seeking its opinion on the appropriateness of the methodology followed as aforesaid, i.e., as to the accounting treatment of capital expenditure incurred by the company on such project and its disclosure. e) Opinion of EAC was received vide its letter number TD/EAC/1694/19 dated 04/02/2020 wherein it 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 being classified partly as financial asset and partly as intangible asset. f) In the view of the EAC, while the Appendix D do not define the term 'Public Sector Entity', in the view of the Committee, this term is intended to include the type of entities described by the International Public Sector Accounting Standards Board of International Federation of Accountants (IFAC). EAC was of the view that the DFCCIL is not a public sector entity envisaged under Appendix D of Ind AS 115 and drawing an analogy, it is a private sector entity and accordingly the arrangement in the extant case is a Public-Private arrangement. g) As per preface to International Public Sector Accounting Standards, the IPSASs are designed to apply to public sector entities that meet all the following criteria: i. Are responsible for the delivery of services to benefit the public and/or to redistribute income and wealth;

Comment of Comptroller and Auditor General of India	Management Reply to the Comment of Comptroller and Auditor General of India
	ii. Mainly finance their activities, directly or indirectly, by means of taxes and/or transfer from other levels of government, social contributions, debt or fees; and iii. Do not have a primary objective to make profits. h) DFCCIL does not agree with conclusion drawn by EAC that the primary objective of DFCCIL is to make profits. **Clause 2.1 of Concession agreement clearly defines the Project Objectives of DFCCIL which are as follows-** The Parties acknowledge and agree that the ***objective for the Project and for DFCCIL*** are as follows: a) The ***primary objective*** of the Project is to construct the New Railway within the time and budget and thereafter, to operate and maintain the same in a cost effective manner. b) To improve the capacity, quality, competitiveness and utilization of rail freight transport services in India by the provision of New Corridor and any other corridor dedicated to facilitating the safe and efficient movement of freight trains and by reducing the unit cost of freight operations making rail freight more financially attractive to transport users; c) For DFCCIL to be an efficient and cost-effective it should have effective independence in decision-making and should be able to function at an arm's length with MOR with a market focus and business orientation in respect of construction, maintenance and operation of the New Corridor; d) To be ***financially viable*** but with appropriate financial incentives for it to perform according to market and commercial best practice. Thus it clear that the primary objective of DFCCIL is not to make profits. i) Further, the management approached MoR seeking clarification and appropriate instructions in the above matter. MOR vide its letter no. 2021/infra/6/17 dated January 11, 2022 has examined the matter in the backdrop of C&AG comments and opinion furnished by EAC of ICAI and has decided as under– i. Amount spent on construction of DFCs shall continue to be capitalised in the book of accounts of DFCCIL and therefore Ownership and control of assets will vest with DFCCIL. ii. MOR will not capitalise the assets built by DFCCIL in its books of accounts. iii. Arrangement between DFCCIL and MOR cannot be treated as Public-Private arrangement. It is also clarified that as of now DFCCIL is MoR's PSU (with 100% equity holding by Indian Railways) and not a private sector entity as being contended by EAC. ***On the basis the clarification received from MoR, the management of the company has, in the preparation and presentation of its financials for the year 2021-22, continued its accounting treatment and disclosures as adopted in the previous year, i.e., treated the amount spent on construction of EDFC/WDFC as Capital Work in Progress/Property plant and Equipment.***

Annexure – C

Annual Report on CSR Activities

[Pursuant to Annexure II of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR policy of the company:-

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

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

Consequent upon introduction of the Companies Act, 2013, a new CSR Policy of DFCCIL was formulated which was approved by the Board of Directors in its 47th meeting held on 13.11.2014. Based on the recommendations of the CSR Committee in its meeting held on 27.09.2021, the Board of Directors decided not to make any allotment for CSR activities for the financial year 2021-22 since 2% of the average net profit of immediately three preceding financial years was negative.

2. Composition of CSR Committee:-

Designation in Committee	From 01.04.2021 till 19.12.2021	From 20.12.2021 till 31.03.2022
Chairman	Shri Ravindra Nath Singh Nominee Director, MoR	Shri B Ramana Kumar Independent Director
Members	Shri B Ramana Kumar Independent Director	Shri Amarnath Yadav Independent Director
	Shri Nanduri Srinivas Director (OP&BD)	Shri Hari Mohan Gupta Director (Infrastructure)
Special Invitee	--	Shri Hira Ballabh Director (Finance)

During the financial year 2021-22, one meeting of the Corporate Social Responsibility Committee was held on 27.09.2021.

Name of Member	Total meetings held during tenure	No. of meetings attended during tenure
Shri Ravindra Nath Singh	1	0
Shri B. Ramana Kumar	1	1
Shri Nanduri Srinivas	1	1
Shri Amarnath Yadav	N/A	N/A
Shri Hari Mohan Gupta	N/A	N/A
Shri Hira Ballabh	N/A	N/A

The acronym “N/A” denotes “Not Applicable” as no meeting was held during the tenure as Committee Member.

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:-

The composition of the CSR Committee, CSR Policy and CSR Projects approved by the Board of Directors can be accessed at https://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):-

Provisions of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable.

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:-

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

6. Average net profit of the company as per section 135(5):– INR (30,82,42,000)

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 INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
INR 85,75,434/-	Nil	Nil	Nil	Nil	Nil

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration.	Amount allocated for the project (in INR)*	Amount spent in the current financial Year (in INR) *	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	CII Sakhsam phase -IV, MoU 2019-20 through CII (Confederation of Indian Industries)	II	Yes	Rajasthan, Maharashtra, U. P.	Jaipur, Ajmer, Bandikui, Mumbai, Khurja, Tundla	1 year	120 lakhs (DFCCIL share is 83.33% & CII share is 16.67%). Total work completed for INR 80,55,000/- (DFCCIL share- INR 67,12,500/-)	42,82,000/-	NA	Through CII	CII	Not Required
	Total (DFCCIL share)	-	-	-	-	-	**67,12,500/-**	**42,82,000/-**	**Nil**	-	-	-

i) * In the FY-19-20 MoU was signed between DFCCIL & CII for Saksham phase -IV, CII spent an amount of INR 80,55,000/- out of INR 120 lakhs. of which DFCCIL share is INR 67,12,500/- (83.33%) and CII share is INR 13,42,500/- (16.67%). Balance work discontinued, as no funds are available.

ii) An amount of INR 50,00,000/- was booked as advance in FY- 2019-20 out of which an amount of INR 42,82,000/- was adjusted in books during FY-2021-22 against the advance. A total of INR 7,18,000/- + 17,12,500/- would be accounted in FY-2022-23.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in INR) *	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Supply of Oxygen generator plant Railway Hospital DDU	(i) and (xii)	Yes	UP	DDU	42, 93,434/-	Yes	NA	NA
	Total	-	-	-	-	**42, 93,434/-**	-	-	-

* As per approval of BoD in 79th meeting held on 09.11.2021, an amount of INR 44 lakhs for supply of Oxygen Generator Plant at Railway Hospital (DDU) have been paid to FA&CAO ECR/Hazipur in FY-2021-22. An amount of INR 1,06,566/- was received from FA&CAO ECR/Hazipur on 14.01.22 towards unspent amount for CSR activities for the year 2017-18. This amount was inadvertently accounted for against the CSR activity of supply of oxygen generator plant. As a result, the books of accounts depict CSR expenditure of INR 42.93 lakhs instead of INR 44 lakhs actually spent.

(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) – **INR 85,75,434/-**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per section 135(5)	In Negative
(ii)	Total amount spent for the Financial Year	85,75,434/-
(iii)	Excess amount spent for the financial year (INR 85,75,434 - INR 39,29,000 as per Para 9 (a)	46,46,434/-
(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)]	46,46,434/-

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Amount spent in the Reporting Financial Year (INR in Lacs)	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. (INR in lakhs)
				Name of the Fund	Amount (in INR)	Date of transfer	
1.	2017-18	NIL	151.21	NIL	NIL	NIL	15.3
2.	2018-19	NIL	153.37				(-) 5.34
3.	2019-20	NIL	61.65				63.84
4.	2020-21	Nil	34.51				(-) 34.51
	TOTAL	NIL	400.74	NIL	NIL	NIL	39.29

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in INR)***	**Amount spent on the project in the reporting Financial Year (in INR)**	**Cumulative amount spent at the end of reporting Financial Year (in INR)**	**Status of the project - Completed /Ongoing**
01	NA	Sakhsam phase -IV, MoU 2019-20 through CII (Confederation of Indian Industries)	2019-20	One year	120 lakhs (DFCCIL share is 83.33% & CII share is 16.67%). Total work completed for INR 80,55,000/- (DFCCIL share- INR 67,12,500/-)	42,82,000/-	42,82,000/-	Completed
	Total (DFCCIL share)	-	-	-	**67,12,500/-**	**42,82,000/-**	**42,82,000/-**	-

* Same as 8(b) above

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).

(a) Date of creation or acquisition of the capital asset(s) - **Not Applicable**

(b) Amount of CSR spent for creation or acquisition of capital asset(s) - **Not Applicable**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (Including complete address and location of the capital asset) - **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) - **Not Applicable**

Sd/- **Ravindra Kumar Jain** Managing Director	Sd/- **Hari Mohan Gupta** Director (Infrastructure) (Chairman CSR Committee)	**Not Applicable** [Person Specified under clause (d) of sub-section(1) of section 380 of the Act] (Wherever Applicable)

Annexure - D

Corporate Governance Report

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

The Company believes in achieving its goals 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

In terms of Article 80 of the Articles of Association of the Company, the President of India has determined that there shall be minimum 6 Directors subject to a maximum of 12 Directors on the Board of the Company. 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 as Part-time Chairman.
- Five Full-time Functional Directors including Managing Director.
- One Part-time Official Director from Ministry of Railways.
- One Part-time Official Director from NITI Aayog.
- Four Independent Non-official Part-time Directors including one from Financial Institution 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. As on the date of report, the total strength of the Board of Directors of the Company is ten, comprising of one Part-time Chairman, five Whole-time Directors including Managing Director, one Part-time Official Director from Ministry of Railways and one Part-time Official Director from NITI Aayog and two Part-time Non-official Directors.

The detail pertaining to Appointments/Cessations of Directors to/from Board of the Company during the Financial Year 2021-22 and during the period after the end of the financial year till the date of this report is mentioned under Point 6.1 "Directors and Key Managerial Personnel" of the Director's Report.

2.3. Particulars of Directors, their Directorships, attendance in the Board Meetings held during the FY 2021-22 and in the last Annual General Meeting:

Sr. No.	Particulars of Directors	No. of Directorship/ Chairmanship in other companies including DFCCIL	No. of Committee Membership/ Chairmanship in other companies including DFCCIL	No. of Board Meetings held during 2021-22 (during the respective tenure of Directors)	No. of Board Meetings attended (during the respective tenure of Directors)	Last Annual General Meeting attended
I.	**Part-time Chairman**					
1.	Shri Suneet Sharma Chairman & CEO/Railway Board & Part-time Chairman/DFCCIL (DIN – 08596091) (Held office from 26.08.2021 to 31.12.2021)	3*	0	2	1	Yes

Sr. No.	Particulars of Directors	No. of Directorship/ Chairmanship in other companies including DFCCIL	No. of Committee Membership/ Chairmanship in other companies including DFCCIL	No. of Board Meetings held during 2021-22 (during the respective tenure of Directors)	No. of Board Meetings attended (during the respective tenure of Directors)	Last Annual General Meeting attended
2.	Shri Vinay Kumar Tripathi Chairman & CEO/Railway Board & Part-time Chairman/DFCCIL (DIN - 09463988) (Held office from 12.01.2022)	3**	0	N/A	N/A	N/A
II.	**Functional Directors (Whole Time Directors)**					
1.	Shri Ravindra Kumar Jain Managing Director (DIN - 08641707) (Held office from 11.12.2020)	1	0	4	4	Yes
2.	Shri Hira Ballabh Director (Finance) (DIN - 08738632) (Held office from 05.05.2020)	1	AC/DFCCIL (Member)	4	4	Yes
3.	Shri Nanduri Srinivas Director (Operations & Business Development) (DIN - 08763509) (Held office from 15.06.2020)	1	NRC/DFCCIL (Member from 24.02.2021 till 20.12.2021) CSRC/DFCCIL (Member from 26.08.2020 till 20.12.2021)	4	4	Yes
4.	Shri Hari Mohan Gupta Director (Infrastructure) (DIN - 08453476) (Held Office from 13.10.2020)	1	AC/DFCCIL (Member from 15.01.2021 till 20.12.2021) CSRC/DFCCIL (Member from 20.12.2021)	4	4	Yes
5.	Shri Hari Mohan Gupta Director (Project Planning) (L/A) (DIN - 08453476) (Originally Held Additional Charge from 01.01.2021 with extension beginning on 01.04.2021 till 18.04.2022)	N/A	N/A	N/A	N/A	N/A
6.	Shri Pankaj Saxena Director (Project Planning) (DIN - 09399859) (Held office from 19.04.2022)	1	N/A	N/A	N/A	N/A

Sr. No.	Particulars of Directors	No. of Directorship/ Chairmanship in other companies including DFCCIL	No. of Committee Membership/ Chairmanship in other companies including DFCCIL	No. of Board Meetings held during 2021-22 (during the respective tenure of Directors)	No. of Board Meetings attended (during the respective tenure of Directors)	Last Annual General Meeting attended
III.	**Part-time Official Director (Nominee Director)**					
1.	Shri Ravindra Nath Singh PED(Infrastructure)/ Railway Board & Nominee Director/DFCCIL (DIN – 08488013) (Held office from 20.06.2019)	2***	NRC/DFCCIL (Chairman) CSRC/DFCCIL (Member from 14.06.2020 till 20.12.2021)	4	3	Yes
2.	Shri Sudhendu Jyoti Sinha Advisor(Infrastructure Connectivity)/NITI Aayog & Nominee Director/DFCCIL (DIN- 09560426) (Held office from allotment of DIN, i.e., 04.04.2022)	1	N/A	N/A	N/A	N/A
IV.	**Part-time Non-official Directors (Independent Director)**					
1.	Shri B. Ramana Kumar (DIN- 08523013) (Held office from 29.07.2019 till 28.07.2022)	1	AC/DFCCIL (Chairman) NRC/DFCCIL (Member) CSRC/DFCCIL (Chairman)	4	4	Yes
2.	Prof. Pawan Palta (DIN - 08480388) (Held office from 09.11.2021)	2****	AC/DFCCIL (Member from 20.12.2021) NRC/DFCCIL (Member from 20.12.2021)	1	1	NA
3.	Shri Amarnath Yadav (DIN - 09428165) (Held office from allotment of DIN, i.e., 07.12.2021)	1	NRC/DFCCIL (Member from 20.12.2021) CSRC/DFCCIL (Member from 20.12.2021)	1	1	NA

* Shri Suneet Sharma was holding the office of Director in National High Speed Rail Corporation of India Limited and NRTU Foundation (along with holding Directorship in DFCCIL) during his incumbency as Chairman & CEO/Railway Board.

** Shri Vinay Kumar Tripathi is holding the office of Director in National High Speed Rail Corporation of India Limited and NRTU Foundation (along with holding Directorship in DFCCIL).

*** Shri Ravindra Nath Singh is holding the office of Director in National High Speed Rail Corporation of India Limited (along with holding Directorship in DFCCIL).

**** Prof. Pawan Palta is holding the office of Director in LTR Smartapp Private Limited (along with holding Directorship in DFCCIL).

NOTES:

1. The Directorships 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. For the purpose of reckoning Membership/ Chairmanship in Board Committees, the Audit Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee of public and private companies are considered.

3. The acronym "AC" denotes "Audit Committee", "NRC" denotes "Nomination and Remuneration Committee" and "CSRC" denotes "Corporate Social Responsibility Committee".

4. The acronym "N/A" denotes "Not Applicable" as the concerned Directors have joined the Board after the financial year 2021-22.

2.4. Board Meetings

During the financial year 2021-22, the Board of Directors met four times to transact business. The meetings of the Board of Directors of the Company were held on below-mentioned dates-

Meeting	Dates
1st Meeting	23rd April, 2021
2nd Meeting	30th July, 2021
3rd Meeting	09th November,2021
4th Meeting	20th December, 2021

2.5. Brief Resume of Directors appointed on the Board till the date of report

- **Prof. Pawan Palta as Part-time Non-official Director w.e.f 09.11.2021**

  Prof. Pawan Palta is Masters of Fine Arts from APJ College, Jalandar. He is serving as a Functional Director in LTR Smart Private Limited and is also running his jewellery business.

- **Shri Amarnath Yadav as Part-time Non-official Director w.e.f 07.12.2021 (Date of allotment of DIN)**

  Shri Amarnath Yadav is BA LLB from University of Allahabad of 1992 batch. He has wide work experience as an Advocate in the District Court of Allahabad and Lower Court Phulpur, Allahabad. He also held the post of the President of Nagar Panchayat, Phulpur, Allahabad from 1995 to 2000 and from 2012 to 2017.

- **Shri Vinay Kumar Tripathi as Part-time Chairman w.e.f 12.01.2022**

  Shri Vinay Kumar Tripathi Chairman & Chief Executive Officer, Railway Board, appointed as Part Time Chairman on the Board of DFCCIL. Shri Tripathi did B.Tech (Electrical Engineering) from Roorkee University, now IIT Roorkee, in 1982 and joined Railways through Indian Railway Service of Electrical Engineers (IRSEE) in 1983 Batch. In his distinguished career, Shri Tripathi has successfully discharged the duties of important post of Electrical Department on Northern, Central & Western Railways as well as held key posts of Divisional Railway Manager, North Central Railway, Allahabad, Chief Electrical Locomotive Engineer, Additional General Manager of Western Railway, Additional Member/Traction in Railway Board and GM/NER.

  Shri Tripathi played a key role in successfully commissioning the State-of-the-art three-phase locomotives and its indigenization, which are the main workhorse of Indian Railways now. He was instrumental in making the Mumbai Central station fit to run 24-Coach trains. As DRM/Prayagraj, he was instrumental in decongesting the rail network of the Division drastically to make it suitable to meet the IR requirements. At that time, ALD division was a major bottleneck for Indian Railways. As AGM/WR, he was instrumental in achieving record electrification on Indian Railway in that year.

  During his tenure as GM/NER, the North East Railway transformed from Meter Gauge & Diesel Railway to Broad Gauge & Electrified Railway. The mobility of NER also improved by 100%. NER received First prize of National Energy Conservation Award in transport category and many other awards at U.P. State level. Under his guidance as GM/NER Railway, railway manpower were trained and skilled up suitably under 'Skill India Mission', which resulted into reduction of annual maintenance contracts, thus ensuring saving of railway revenue.

- **Shri Sudhendu Jyoti Sinha, Adviser (Infrastructure Connectivity)/NITI Aayog as Part-time Official Director w.e.f 04.04.2022 (Date of allotment of DIN)**

  Shri Sudhendu Jyoti Sinha, an alumnus of St. Stephen's College, Delhi did his Major in History. He has experience of over 29 years in operations, infrastructure planning, coordination and management at field and policy making levels in Indian Railways with considerable success and appreciation.

  His performance has been recognized and awarded twice at the National level (National Award for e-Governance 2019-20, for 'Excellence in providing Citizen - Centric Delivery' by Department of Administrative Reforms and Public Grievances, Govt. of India, and 'National Award for Outstanding Service' Ministry of Railways Govt. of India -2006) and thrice at the Ministry (of Railways) level. He also served as Dean of the Indian Railway Institute of Transport Management (IRITM), Lucknow, and General Manager Web Applications at the Centre for Railway Information Systems (CRIS). He has training and enrichment from Japan (Railway Management), Malaysia (ICLIF - Advance Management), Singapore

(INSEAD - Advance Management), Germany (UIC) and the US (Oracle).

He is the Adviser at the NITI Aayog (National Institution for Transformation of India), the apex 'Think Tank' of the Govt. of India.

- **Shri Pankaj Saxena as Director/Project Planning w.e.f 19.04.2022**

Shri Pankaj Saxena, IRSE, is an officer of 'Indian Railway Service of Engineers' (IRSE) of 1987 batch. He has over 33 years of experience in various aspects of Civil Engineering in Indian Railways. A highly accomplished technocrat, Shri Saxena is an M. Tech. in Soil Mechanics and Foundation Engineering from the Indian Institute of Technology, Delhi (IIT-Delhi) & B. Tech. in Civil Engineering from the Indian Institute of Technology, Roorkee (IIT-Roorkee). He has been extensively trained in Austria, Germany, Italy, Malaysia, Singapore and USA. Prior to his last assignment at the Railway Board, he has worked in Central Railway, Northern Railway, East Central Railway and RVNL. He has also served as Director, Railway Board and Divisional Railway Manager (DRM), Pt. Deen Dayal Upadhyaya Division.

Shri Saxena was last posted as Principal Executive Director (Bridge) at Railway Board, Ministry of Railways.

2.6. Board Evaluation

The Company is a Government Company under the administrative control of Ministry of Railways. The selection procedure for all the directors is also laid down by the Government of India, and all the directors of the Company have been appointed in accordance with the said procedure. The functional directors including Managing Director are selected on the recommendations of Public Enterprises Selection Board (PESB) in accordance with the procedure and guidelines laid down by Government of India, and there are system and procedure laid down by Department of Public Enterprises (DPE) for evaluation of its functional directors including Managing Director.

In respect of Functional Directors, the evaluation includes self-evaluation by the respective functional directors and subsequent assessment by Managing Director, and thereafter final evaluation by the Ministry of Railways. In respect of Managing Director, the evaluation includes self-evaluation and final evaluation by the Ministry of Railways.

In respect of Government Nominee Directors, their evaluation is done by the Ministry of Railways as per the procedure laid down. In respect of Independent Directors, their evaluation is done by the Ministry of Railways and finally by Department of Public Enterprises.

2.7. Training of Board Members

The Board Members and Senior Management Personnel are nominated for various training programs from time to time. New Directors joining the Board are provided with documents about the Company which includes the Company's profile, Memorandum and Articles of Association, Brochure, previous Annual Reports, MoU Documents, DPE Guidelines on Corporate Governance, terms of reference of various committees of the Board.

3 Board Committees

In compliance with requirements under the Companies Act, 2013 and DPE Corporate Governance Guidelines 2010 as amended from time to time, the Board of Directors have constituted the following statutory committees:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Corporate Social Responsibility Committee

3.1. Audit Committee

3.1.1. Composition

The composition, quorum, role, and terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of the Board and its Power) Rules, 2014, and Chapter 4 of the DPE Corporate Governance Guidelines, 2010 as amended from time to time. However, composition of the Audit Committee is not in compliance for the period from 01.04.2021 till 19.12.2021 due to not having adequate number of Independent Directors on its Board. The Committee was originally constituted on 14.03.2008 and has been reconstituted as and when there has been a change in directors. The composition of Audit Committee during the year was as follows:

Designation in Committee	From 01.04.2021 till 19.12.2021	From 20.12.2021 till 31.03.2022
Chairman	Shri B Ramana Kumar Independent Director	Shri B Ramana Kumar Independent Director
Members	Shri Hari Mohan Gupta Director (Infrastructure)	Prof. Pawan Palta Independent Director
	Shri Hira Ballabh Director (Finance)	Shri Hira Ballabh Director (Finance)
Special-Invitee	-	Shri Hari Mohan Gupta Director (Infrastructure)

Shri B Ramana Kumar, Chairman of the Audit Committee attended at 15th Annual General Meeting held on 16.11.2021 to answer shareholder queries.

3.1.2. Meetings

During the financial year 2021-22, five meetings of the Audit Committee were held on 29.07.2021, 24.08.2021, 27.09.2021, 17.12.2021 and 31.03.2022 respectively.

Name of Member	Total meetings held during the tenure of Member	No. of meetings attended during the tenure of Member
Shri B. Ramana Kumar	5	5
Shri Hira Ballabh	5	5
Shri Hari Mohan Gupta	4	4
Prof. Pawan Palta	1	1

3.1.3. Terms of Reference

The Terms of Reference of the Committee as prescribed by the Board in its 6th Meeting held on 14.03.2008.

The terms of reference of the Committee shall include the following-

1. To discuss with the auditors periodically about internal control systems.
2. To discuss and decide about the scope of audit including the observations of auditors.
3. To review the half-yearly and annual financial statements before submission to the Board and ensure compliance of internal control systems.
4. To investigate into any matter relating to financial management including the audit report.
5. Any other matter brought to the notice of the Audit Committee by Board of Directors.

The Additional Terms of Reference for the Committee as prescribed by the Board in its 17th Meeting held on 25.06.2010.

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.

The Additional Terms of Reference for the Committee as prescribed by the Board in its 34th Meeting held on 07.08.2012.

In terms of Clause 4.5 of the Chapter-4 of the DPE Guidelines, the Committee shall review the following information-

1. Management discussion and analysis of financial condition and results of operations.

2. Statement of related party transactions submitted by Management.

3. Management letters/letters of internal control weakness issued by the Statutory Auditors.

4. Internal audit reports relating to internal control weakness.

5. The appointment and removal of the Chief Internal Auditor shall be placed before the Audit Committee; and

6. 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 as prescribed by Board of Directors in its 45th Meeting held on 13.06.2014.

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include—

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the company;

2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

3. Examination of the financial statement and the auditors' report thereon;

4. Approval or any subsequent modification of transactions of the company with related parties;

5. Scrutiny of inter-corporate loans and investments;

6. Valuation of undertakings or assets of the company, wherever it is necessary;

7. Evaluation of internal financial controls and risk management systems;

8. Monitoring the end use of funds raised through public offers and related matters; and

9. To oversee the vigil mechanism and to provide for adequate safeguards against victimization of employees and directors who avail of the 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.

The Terms of Reference of the Committee as prescribed by the Board in its 65th Meeting held on 13.08.2018.

The terms of reference of the Committee shall additionally include the following-

1. The Audit Committee shall review and recommend the appointment of Internal Auditors, terms & conditions of appointment and remuneration etc. for the consideration of BoD.

The Board of Directors entrusted the Committee with the following powers, commensurate with its role, in its 17th Meeting held on 25.06.2010-

1. To investigate any activity within its terms of reference.
2. To seek information on and from any employee.
3. To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To protect whistle blowers.

The Board of Directors entrusted the Committee with the following additional powers, commensurate with its role, in its 45th Meeting held on 13.06.2014-

1. 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.
2. All powers, as may be required, for executing the Scope of the Audit Committee.
3. 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.

3.2. Nomination and Remuneration Committee

3.2.1. Composition

The composition, quorum, role, and terms of reference of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013, read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and Chapter 4 of the DPE Corporate Governance Guidelines, 2010 as amended from time to time. The Committee was constituted on 13.08.2015 by dissolving and merging erstwhile HR Committee and Remuneration Committee. The Committee has been reconstituted as and when there has been a change in directors. The composition of Audit Committee during the year under review was as follows:

Designation in Committee	From 01.04.2021 till 19.12.2021	From 20.12.2021 till 31.03.2022
Chairman	Shri Ravindra Nath Singh Nominee Director, MoR	Shri Ravindra Nath Singh Nominee Director, MoR
Members	Shri B Ramana Kumar Independent Director	Shri B Ramana Kumar Independent Director
	Shri Nanduri Srinivas Director(OP&BD)	Prof. Pawan Palta Independent Director
	--	Shri Amarnath Yadav Independent Director
Special Invitee	Shri Hari Mohan Gupta Director (Infrastructure)	Shri Nanduri Srinivas Director(OP&BD)
	--	Shri Hari Mohan Gupta Director (Infrastructure)

3.2.2. Meetings

During the financial year 2021-22, two meetings of the Nomination and Remuneration Committee were held on 09.07.2021 and 06.09.2021 respectively.

Name of Member	Total meetings held during the tenure of Member	No. of meetings attended during the tenure of Member
Shri Ravindra Nath Singh	2	1
Shri B. Ramana Kumar	2	2
Shri Nanduri Srinivas	2	2
Prof. Pawan Palta	N/A	N/A
Shri Amarnath Yadav	N/A	N/A

The acronym "N/A" denotes "Not Applicable" as no meeting was held during the tenure as Committee Member.

3.2.3. Terms of Reference

The Terms of Reference of the Committee as prescribed by the Board in its 51st Meeting held on 13.08.2015.

The terms of reference of the Committee shall include the following-

1. 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 2.5 of the Code of Business Conduct and Ethics 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 level below the Whole Time Directors including all functional heads.

2. The Nomination and Remuneration Committee shall recommend to the Board a policy, relating to the remuneration of the Senior Management and other employees.

3. The nomination and Remuneration Committee shall, while formulating the policy under point (2) 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.

3.3. Corporate Social Responsibility Committee

3.3.1. Composition

The composition, quorum, role, and terms of reference of the Nomination and Remuneration Committee are in accordance with Section 135 of the Companies Act, 2013. The Committee was constituted on 13.06.2014 and has been reconstituted as and when there has been a change in directors. The composition of Audit Committee during the year under review was as follows:

Designation in Committee	From 01.04.2021 till 19.12.2021	From 20.12.2021 till 31.03.2022
Chairman	Shri Ravindra Nath Singh Nominee Director, MoR	Shri B Ramana Kumar Independent Director
Members	Shri B Ramana Kumar Independent Director	Shri Amarnath Yadav Independent Director
	Shri Nanduri Srinivas Director(OP&BD)	Shri Hari Mohan Gupta Director (Infrastructure)
Special Invitee	--	Shri Hira Ballabh Director (Finance)

3.3.2. Meetings

During the financial year 2021-22, one meeting of the Corporate Social Responsibility Committee was held on 27.09.2021.

Name of Member	Total meetings held during tenure	No. of meetings attended during tenure
Shri Ravindra Nath Singh	1	0
Shri B. Ramana Kumar	1	1
Shri Nanduri Srinivas	1	1
Shri Amarnath Yadav	N/A	N/A
Shri Hari Mohan Gupta	N/A	N/A
Shri Hira Ballabh	N/A	N/A

The acronym "N/A" denotes "Not Applicable" as no meeting was held during the tenure as Committee Member.

3.3.3. Terms of Reference

The Terms of Reference of the Committee as prescribed by the Board in its 45th Meeting held on 13.06.2014.

The Corporate Social Responsibility Committee shall, -

1. 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 of the Companies Act, 2013;
2. Recommend the amount of expenditure to be incurred on the activities referred to in point (1); and
3. Monitor the Corporate Social Responsibility Policy of the company from time to time.

4 Independent Directors' Meeting

In terms of Section 149(8) read with Schedule IV "Code for Independent Directors" of the Companies Act, 2013, the Independent Directors' Meeting was held on 28.03.2022 which was attended by all the Independent Directors through video-conferencing.

5 Remuneration

The Company being a wholly-owned Government Company under the Companies Act, 2013, the Functional Directors (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 of India and as per the terms and conditions issued by the Government of India from time to time.

The Part-time Official Directors (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 Directors) are paid sitting fees for the Board/Committee Meetings attended during the financial year.

5.1. Remuneration paid to the Whole Time Directors and Key Managerial Personnel during the year under review

Name and Designation	Salary and Allowances	Other Benefits and Perks*	Performance Linked Incentive	Total
Shri Ravindra Kumar Jain	INR 53,17,567	INR 1,95,348	Nil	INR 55,12,915
Shri Hira Ballabh	INR 42,82,132	Nil	Nil	INR 42,82,132
Shri Nanduri Srinivas	INR 44,70,411	4,65,814	Nil	INR 49,36,225
Shri Hari Mohan Gupta	INR 45,71,352	Nil	Nil	INR 45,71,352
Ms. Meenu Kapoor	INR 23,49,543	INR 2,89,086	Nil	INR 26,38,629
Total	**INR 2,09,91,005**	**INR 9,50,248**	**Nil**	**INR 2,19,41,253**

* Other benefits and perks under Section 17(2) of the Income Tax Act, 1961.

INR 55,079 was paid to Shri Anshuman Sharma, ex-Director, towards leave encashment arrears.

5.2. Sitting Fees paid to Independent Directors during the year under review

Name of Director	Sitting Fees paid**	No. of Board and Committee Meetings attended
Shri B. Ramana Kumar	INR 2,40,000	12
Prof. Pawan Palta	INR 40,000	2
Shri Amarnath Yadav	INR 20,000	2
Total	**INR 3,00,000**	

**Sitting fees paid excludes GST paid under reverse charge mechanism.

6 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 meetings held during the last three years are as under-

AGM	Year	Venue	Date	Time
13th	2018-19	Vichar Conference Hall, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001	26.09.2019	12.30 Hrs
14th	2019-20	Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001	17.12.2020	15:00 Hrs
15th	2020-21	Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001	16.11.2021	15:30 Hrs

No Special Resolution was passed at above-mentioned meetings held during the last three years.

7 Audit Qualifications

Detailed information regarding reservation, qualification or adverse remarks by auditors along with Management's reply may be referred from Point 8.3 "Explanation/comments by Management on reservation, qualification or adverse remarks by auditors" of the Directors' Report.

8 CEO/CFO Certification

Certification of Financial Statements by Chief Executive Officer and Chief Financial Officer is placed at **Annexure D1**.

9 Other Disclosures

- No materially significant related party transaction has been reported except those which have been disclosed vide Note 35 of the Notes to financial statements.
- All the items of expenditure debited in the books of accounts of the Company are for the purpose of project execution entrusted to the Company and relate to project execution only.
- No personal expenses are incurred for the Board of Directors.
- The net administrative expenses as a percentage of total expenses have increased from 3.24 % in 2020-21 to 3.28% in 2021-22.

10 Code of Business Conduct and Ethics

A Code of Business Conduct and Ethics for the Board Members and Senior Management Personnel based on the Model Code of Conduct suggested in the DPE Guidelines on Corporate Governance, 2010 as approved by the Board of Directors, is placed on the website of the Company at https://dfccil.com/Home/DynemicPages?MenuId=71. An annual affirmation to the Code of Business Conduct and Ethics was received from all the Board Members and Senior Management Personnel. A declaration signed by Managing Director affirming the compliance with the Code of Business Conduct and Ethics by Board Members and Senior Management Personnel during the financial year 2021-22 is placed at **Annexure D2**.

11 Corporate Communication

- **Presence on numerous social media channels**

  The Company has a dynamic social media engagement on Twitter, Facebook, YouTube, Koo and Instagram (started in March 2021). It is widely followed by an array of Stakeholders and the 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 Company's Social media is as below:

Particulars	Facebook Page (verified)	Twitter Handle (verified)	YouTube Channel (verified)	Koo Handle (verified)
Page/Account/Channel created on	26.06.2015	09.09.2015	03.12.2015	03.12.2021
No. of followers	19700+	24300+	906000+	5100+
No. of followers added over previous year	5600+	2800+	5200+	2200+

- **Press Releases**

  Over 33 Press Releases were issued to the national media.

- **One-on-One interaction with the Media**

  Direct interaction of Managing Director of the Company with Press Correspondents of leading news organizations was organized and Interviews were published in different leading newspapers.

- **Coverage in Electronic Media**

  There has been extensive coverage of the Company in leading electronic and digital media channels.

- **Coverage in Print Media**

  During the period local media coverage covering various facets of DFCs' construction and completion of important segments have been covered in English, Hindi and other regional languages.

- **Printing of Publicity Material**

  The Company brochure has been updated along with booklets.

- **Participation in exhibitions**

  The Company participated in the 14th International Railway Equipment Exhibition (IREE 2021), Asia's largest exhibition for the Railway industry with a high-tech stall and thought leadership platform from 16th - 18th December 2021.

- **Publishing of Advertisements**

  The Company's Corporate Communication team undertakes printing of all advertisements related to tender or other notifications in newspapers from the

Corporate Office. For FY 2021-22, an amount of INR 3,28,59,807 was spent on advertisements.

- **Corporate Films**

  Corporate films on DFCs have been created to disseminate details about the projects of the organization to internal and external stakeholders.

- **Communication Strategy**

  The Company reviews its communication strategy on regular basis based on the feedback.

12 Whistle Blower Policy

The Company believes in creating a culture where it should be safe for all the employees to raise concerns about any unethical practices or misconduct. The policy provides a framework to enable employees wishing to raise a concern about serious irregularities within the Company without fear of victimization. The policy covers protected disclosures by employees of the Company 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 the Company can be accessed form https://dfccil.com/Home/DynemicPages?MenuId=175 as available on the website.

13 Compliance Certificate

A Certificate from Company Secretary in Practice regarding compliance of Corporate Governance Guidelines, 2010 issued by Department of Public Enterprises is placed at Annexure D3.

Annexure – D1

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 2021-22 and to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

(iii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct;

(iv) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies;

(v) We have indicated to Auditors and the Audit Committee, improvements in Accounting Policies during the year, and that the same have been disclosed in the Notes to the Financial Statements; and

(vi) There was no instance of fraud nor there has been involvement of the Management or an employee having a significant role in the Company's internal control system over financial reporting, of which we are aware.

Sd/-
Hira Ballabh
Director/Finance
DIN: 08738632

Sd/-
R. K. Jain
Managing Director
DIN: 08641707

Date: 05.09.2022
Place: New Delhi

Annexure – D2

Declaration by Managing Director Regarding compliance with the Code of Business Conduct and Ethics by Board Members and Senior Management during Financial Year 2021-22

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 Conduct and Ethics during financial year 2021-22.

Sd/-
Ravindra Kumar Jain
Managing Director
DIN : 08641707

Place: New Delhi
Date: 20.05.2022

Annexure – D3

Compliance Certificate on Corporate Governance

To,
The Members
Dedicated Freight Corridor Corporation of India Limited
5th Floor, Supreme Court Metro Station Building Complex,
New 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 31stMarch, 2022 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 2022, the company has complied with various provisions of the Guidelines in its Corporate Governance Report.

5. We certify that in respect of the aforesaid financial year 31st March 2022, the company has complied with various provisions of the Guidelines in its Corporate Governance.

Sd/-
Balika Sharma & Associates
Company Secretaries
FCS No.: 4816
CP No.: 3222
UDIN: F004816D000845689

Place: New Delhi
Date: 25.08.2022

Annexure E

Management Discussion and Analysis Report

1 INDUSTRY STRUCTURE AND DEVELOPMENTS

India is making rapid progress towards the milestone of achieving a 5 trillion-dollar economy, despite huge disruptions posed by repeated waves of the pandemic and geopolitical headwinds. This is the outcome of a series of reforms that the Government of India has undertaken on several fronts, such as taxation, fiscal consolidation and capital expenditure.

Crucial reforms such as GST, ease of doing business, PM Gatishakti National Master Plan (NMP), National Infrastructure Pipeline, among others, have helped industries capitalise on new opportunities. The Government of India also introduced the Production Linked Incentive (PLI) Scheme to boost the domestic manufacturing sector and to reduce India's import dependence.

As a part of the Make in India initiative, this scheme offers an incentive to eligible firms across multiple sectors on incremental sales for five years. Cognizant of the innovation-driven thriving start-up ecosystem in India, the Government is also encouraging start-ups under the PLI scheme. These initiatives will go a long way in strengthening India's economy for the long-term and create more direct/indirect employment opportunities across the socio-economic pyramid. These efforts will also attract more domestic and overseas investments in the manufacturing sector.

An expanding and sustainable economy has to be resilient to challenges like climate change, global recession and the changing world order. Changing precipitation patterns, rising temperatures and extreme weather contributed to mounting food insecurity and poverty, compounding the socio-economic and health crisis triggered by the pandemic. Severe heat waves observed in Europe in recent months, untimely flooding and drought in different parts of the world have highlighted the need for climate action.

Geopolitical tensions like the Russia-Ukraine war and the simmering tensions in East Asia have exposed the vulnerability of global supply chains. These events highlight the need to address such contingencies. The Hon'ble Prime Minister's vision for 'Atmanirbhar Bharat' is the way forward in this direction.

A robust rail infrastructure is necessary for commercial as well as for strategic reasons. Development of Dedicated Freight Corridors (DFCs) will be a game-changer in the economic development of the country. Faster and cheaper transportation of goods which will enhance global reach and will make our products more competitive. Rail connectivity provided by DFCs will initiate a virtuous cycle and attract more investment and economic activity in the industrial corridors as well as the economic and service hubs situated along the DFC. Projects like DFC will help India become self-reliant and reduce its dependency on China and other markets.It would also help our nation to be an integral and pivotal player in global supply chains which are already reeling under pressure of global tensions.

2 VISION AND MISSION OF THE COMPANY

2.1. VISION

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

2.2. MISSION

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

- To build a corridor with appropriate world class and reliable 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
- To set up multimodal logistic parks along the DFC to provide complete transport logistics solution to customers
- 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.

3 SWOT ANALYSIS

3.1. STRENGTHS

- All earthwork and bridges in DFC have been designed for 32.5T axle load trains, which will enable high-axle load trains to run at higher speeds, thus increasing throughput. At present, DFC is running 25T axle load trains which can be upgraded to 32.5T axle load. In addition, trains on DFC can have 14% more width and 66% more height, compared to that of Indian Railways (IR). DFC is being built with easier ruling gradient to 1 in 200, 2 X 25 Km traction system and automatic signalling. Therefore, DFC can run much heavier trains at 100 Kmph.
- With the partial opening of the DFCCIL routes, goods trains can now run at 99+ Kmph. Progressive commissioning of the remaining sections would further enhance the speed, which in turn would lead to improved efficiency.

- Higher speed and higher throughput will reduce the requirement of crew and rolling stock resulting in cost reduction. DFCCIL will operate timetable-based goods trains, which will improve supply chain management and significantly reduce logistics cost .

- DFCCIL has adopted a mix of staffing pattern with officials from Indian Railways and officials from other organisations. This has enabled the Company to bring on board highly-qualified officials, who can effectively implement the ambitious targets and vision of the Company. This has led to the creation of a team with diverse skills, who will help execute similar ambitious projects.

- Adequate and timely cash flow is important for the successful execution of any mega project. With the support of the Ministry of Finance, the Ministry of Railways, World Bank and JICA, continuous cash flow has ensured uninterrupted project execution.

- Strong and unwavering support from the Government of India quickens decision-making and enhances stakeholders' confidence in DFCCIL. Strong support from the Prime Minister's Office, leadership and regular intervention of the Ministry of Railways and the NITI Aayog have helped to resolve pending issues with various State Governments and other authorities.

- The success in Rehabilitation & Resettlement of Project Affected Persons and transparent disbursement of compensation has drawn commendation from global agencies like the World Bank and JICA. This will help DFCCIL's future projects and give confidence to funding agencies to fund such projects.

- DFCCIL being a new organisation, is free from the baggage of the past, and is well poised to chart its own course. DFCCIL has adopted new technologies such as NTC machines, Automatic Signalling, Automatic OHE wiring trains and best practices like Integrated Maintenance, Outsourcing, both in the construction and operation & maintenance phase.

- DFCCIL developed an IT-enabled platform— Dedicated Freight Information System (DFIS)— for close monitoring of operations and close interaction with IT systems of the Indian Railways such as Freight Operation Information System (FOIS), COA (control office application) and TMS (Train Monitoring system).

- DFC is connected to all major and important sea ports of Gujarat and Maharashtra and important hinterland ports through feeder routes, which makes it attractive for export-import traffic and integrates with the domestic and global supply chains.

3.2. WEAKNESSES

- Land acquisition process is a major weakness for linear projects like Railways where the stretch of land to be acquired passes through multiple jurisdictions involving diverse administrative practices, quality of land records and poor staffing.

- Delay in project execution by the contract agencies result in cost and time overrun, leading to DAB cases and arbitrations. Precious time and resources get wasted in such litigations.

- Lack of experienced staff in the initial phase of operation and maintenance.

- Heavy dependency on the Indian Railways (IR) for business, experienced manpower and revenue.

- No flexibility in deciding freight tariff at present for intra-DFCCIL traffic.

- DFC alignment, being mostly parallel to IR alignment, increases the risk in O&M activities. The operations on DFC network may be impeded due to track infringement caused by any accident on Indian Railway Network and vice-versa.

- Likely shortage of spares for imported components in future, such as Head Harden rails, track machines and signalling systems.

- Due to limited capacity for accident restoration, DFC has to rely on Indian Railways for using Break-Down (BD) cranes and Accident Relief Trains (ART) in case of accidents.

- Detention of trains at interchange points of IR takes away the advantage of higher speed and through-run of goods trains.

- Dependence on IR for train crew and inadequate crew monitoring system.

3.3. OPPORTUNITIES

- Huge scope for attracting new traffic and new customers over DFC due to its advanced design features.

- Innovative services like Truck-on-Train, Double and triple stack container movement, special trains for perishable goods and white goods, multi commodity trains, and demand-based services.

- Tremendous scope of branding on trains/stations and other ways of asset monetisation as well as commercial utilisation of exploitable resources and spaces.

- Development of Multi-modal Logistic Parks and Freight Terminals at various locations over DFC. DMICDC (Delhi-Mumbai Industrial Corridor Development Corporation) and AKIDC (Amritsar-Kolkata Industrial Corridor Development Corporation) will enhance traffic on DFC.

- Key role in supply chain management with special partnership with CRWC and CONCOR.

- Development of new dedicated freight corridors – North-South, East-West, East Coast. Funding from development agencies like New Development Bank and Asian Development Bank can be explored for these projects.

- DFC could capitalise on its project execution experience and could explore consultancy and construction projects for development of High-Axle Load Infrastructure in India and in other developing countries.
- DFC could develop Research facility for heavy-haul operations and partner with other heavy-haul operating countries in setting standards and developing operational protocols.
- Integrated development with Highways, Waterways, Ports and Multimodal Parks for movement of cargo as per National Infrastructure Pipeline.
- Scope to run Roadrailer over DFC for railroad intermodal to provide door-to-door service. An MoU with Kirloskar Group is under deliberation.
- Renewable energy can be generated using solar and wind-based solution along the ROW of DFC. Carbon credits can be earned and traded for being an environment-friendly and energy efficient mode of transport.

3.4. THREATS

- Change in regulations, dependency on state authorities for acquiring land, litigations and Law and order issues delayed physical possession of land in many areas and obstructed the progress of work.
- Cost escalation and time overrun due to delay in commissioning of the project. High number of arbitration cases leading to cost overrun and legal disputes.
- At present, the single operative regime does not permit Return on Equity (RoE), which will have an adverse effect on the market capitalisation of the Company.
- Cost of land may get included in the TAC in the multi-operator regime which may make DFC tariff costlier and less competitive.
- Upgradation of feeder route, to be done by Indian Railways, is essential for taking full benefit of DFC network. The design features of DFC will bring no advantage until IR feeds it with high-capacity trains.
- Limitation of Railways in first mile and last mile connectivity may dent the appeal of DFCs for e-commerce. Especially when road infrastructure is being rapidly developed and bottlenecks like excise checks on state borders are eliminated after introduction of GST.
- Development of highways along the Golden Quadrilateral and projects such as Sagarmala may dent transportation system. Similarly, inland water transport being developed between Ramnagar to Haldia may affect traffic level in EDFC in the long run.
- Procurement from neighbouring countries, sharing land boundaries with India, may impact procurement of imported equipment and maintenance spares during O&M phase.
- During single operator regime, DFC mainly becomes a transporter of IR rakes with same rolling stock and is highly dependent on Indian Railways for realising its full potential.
- Non-availability of rolling stock for special consignments like flat wagons for TOT service, refrigerated vans and so on, may discourage small and medium sized customers from using DFC.
- Major construction companies involved in this project, are suffering from internal cashflow issues leading to delayed payment to vendors, which is affecting project timelines.
- Political dispensation may permit movement of passenger trains on DFC network, therefore defeating the whole purpose of having separate track for freight movement.
- Dependency on state government for land acquisition, approaches for ROB/RUB, sharing of cost for ROBs, utilities removal, environment clearances, security, etc., may cause delays and impact target dates.
- Activities like theft or damage to wayside equipment due to agitation may hurt DFCCIL's ability to carry on smooth operations.

3.5. STRATEGIES TO OVERCOME WEAKNESSES

- DFCCIL has gained vast experience in land acquisition. Close coordination with state authorities and timely raising of critical issues at various forums like Pragati reviews, PMG reviews will help resolve pending issues.
- Dashboard on the DFCCIL website has been developed to keep a tab on the contractual disputes raised before the Dispute Adjudication Board (DAB) and arbitration awarded in various commercial contracts. Legal advice from empanelled top-notch law firms is being sought to resolve disputes with minimum repercussions.
- More powers have been delegated to the field units as they are at the forefront of the project execution. This has enabled them to take expeditious decisions to improve the progress of work.
- DFCCIL is rigorously following up with Zonal Railways for upgradation of feeder routes. Intervention of Railway Board is sought in case of serious delays.
- Provisions of spares for imported components have been kept in execution contracts and planning is underway to provide AMCs/ comprehensive maintenance to the OEMs in order to ensure the optimum service life and availability of spares, rails and systems.
- Retired Railway staff with experience in handling track machines, mechanised maintenance and operations are re-engaged to set up the initial system and provide guidance to the newly recruited manpower. In addition to the already deployed experienced staff, fresh staff is also being recruited and trained rigorously at Heavy Haul Institute (HHI), Noida, as per international standards, for carrying out O&M activities.

- Safety protocol is being devised in consultation with Zonal Railways while carrying out O&M activities in parallel sections.
- DFCCIL is preparing in-house Emergency Response teams (ERTs) to handle derailments and any enroute emergency situations.
- DFCCIL has requested Ministry of Railways for providing flexibility to decide freight tariff to attract traffic and ensure competitiveness.
- DFCCIL is exploring the possibility to acquire and possess special rolling stock to cater the market demand in the future.

4 OUTLOOK

The Company is looking forward to create world-class state-of-the-art 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 for capacity building of the field staff to create awareness about best international practices.

In the year 2021-22, DFCCIL commissioned 620 Km of track in EDFC and WDFC. With this, 1277 Km, out of the total 2,843 Km of DFC, has been commissioned. In WDFC, Rewari-Palanpur (659 Km) section was commissioned which boosted connectivity of Mundra, Kandla and Pipavav ports of Gujarat with NCR. In WDFC, the Palanpur-Sanand section, including Palanpur connecting line, is targeted to be completed by October 2022, which will greatly enhance the connectivity of ports of Gujarat to Northern India through feeder routes of IR.

On EDFC, apart from Khurja-Bhaupur section, Rooma–Sujatpur (130 Km) and DDU- Sonnagar (137 Km) sections are now completed. These sections provide faster connectivity to Northern and Eastern India and are acting as an expressway for the freight traffic of Indian Railway. Chheoki-Chunar (110 Km) section, along with Kanpur Detour and Prayagraj Detour, are expected to be completedin next financial year. This would enable seamless movement of traffic from Chunar to Khurja and greatly improve the speed and throughput in Eastern DFC. After its completion, the transportation time of coal to power plants of Northern India is likely to reduce by a day.

As of 31st March 2022, DFCCIL has run more than 25,000 trains carrying more than 21 billion GTKM on operational sections. At present, DFC is plying 150-160 trains on an average per day. After commissioning, the DFC will be capable of running 240 trains per day on both corridors. The average speed observed on DFC is around 50-60 Kmph which is significantly higher than that on IR network. This clearly reflects the advantage DFC has and shows the great demand of DFC for freight movement. With upcoming sections and upgradation of feeder routes, the traffic on DFC will increase even further.

5 ROAD AHEAD

The development of Dedicated Freight Corridors (DFCs) is expected to change the country's freight transportation landscape, and provide Indian Railways a competitive edge over other transportation modes. The following key initiatives will further enable the Indian Railways to harness the full potential of the DFCs:

- **Accelerating industrialisation along the corridors:** Setting up industries along DFCs will benefit both, Railways and DFC. Recognising this potential, the DMIDC and WDFC, and the AKIDC and EDFC were conceived. Although the DMIDC was approved in 2007 and the AKIDC in 2014, progress on these corridors has been limited. To leverage the full potential of the DFCs, work on both industrial corridors should be accelerated in tandem with the commissioning of the DFCs.
- **Developing logistics infrastructure along the corridors:** DFCs are expected to enable one of the most critical components of transportation, which is punctuality. This feature of the DFCs can help Indian Railways tap unconventional cargo segments in the future, such as express logistics and perishables to offset an expected decrease in coal transportation requirements for power plants, owing to the expansion of renewables. This is notable in the case of the EDFC, which currently expects coal traffic share of 50-55%. However, to tap these segments, Multi Modal Logistics Parks need to be developed at various locations along DFC network. Twelve Private Freight Terminals have been awarded and more are likely to be developed under the new Gati Shakti Cargo Policy. This will also include connectivity of these infrastructure with the DFC stations along the corridor.
- **Allowing private players to run trains on the DFCs:** According to the institutional arrangement envisaged for operations of the DFCs, the Indian Railways will be the sole customer for the DFCCIL, which will provide the infrastructure for operation of the trains. Indian Railways will pay track-access charge to DFCCIL, and other customers/freight operators will be routed through it. However, to enhance competition in the sector and in the service levels, and leverage private sector capital for the induction of world-class rolling stock, the Indian Railways may consider allowing private players to run freight trains on the DFC network by paying track-access charge to DFCCIL. This is one of the models followed in many countries, and several players operating internationally could be interested in investing and operating in this area.
- **Passing on cost benefits to customers:** The resultant savings on operational costs due to commissioning of the DFCs is expected to help the Indian Railways immensely on the financial front. However, it may consider passing on some of the cost benefits to customers through lower tariffs. The reduction in tariffs will not only enable Indian Railways to have a competitive advantage over other modes, but also help the industry reduce logistics costs through a reliable and cost-effective mode of transport.
- **NEW DFCs:** Three new DFCs (East West Corridor, North South corridor and East Coast Corridor) stretching about 4300 km have been proposed and Detailed Project Reports

(DPR) of these corridors are being developed. These new corridors will further strengthen the infrastructure backbone of the nation, so that it can leapfrog into the league of developed nations of the world.

6 CAPITAL EXPENDITURE ON PROJECT EXECUTION

As on 31st March 2022, the cumulative expenditure on project execution (other than land) is INR 70,61,700.26 Lakh. The Gross capital expenditure during the financial year 2021-22 on projection execution was INR 13,22,055.87 Lakh. The detailed information on capital expenditure is placed at Para 4.1 of the Directors' Report.

7 RISK MANAGEMENT

A statement indicating development and implementation of risk management policy along with identification of various risks, in the opinion of the Board of the Company, which may threaten the existence or operations of the Company is placed at Para 9 of the Director's Report.

8 INTERNAL CONTROL SYSTEMS

In any organisation, internal control is an integral process, which is carried out by Company's Management. It is designed to address risks and provide reasonable assurance that in pursuit of the Company's mission, the general objectives are executed in an orderly, ethical, economical, efficient and effective manner and the resources are safeguarded against loss, misuse and damage.

The Company has internal systems and processes in place, which ensure the execution of operation in an orderly, ethical, economical, efficient, and effective manner, which is adequate and commensurate with the size of the Company. However, internal control being an ongoing process, the Management is committed towards its continuous improvement.

Statutory Auditor of the Company, vide Annexure 'C' to the Independent Auditor's Report in compliance of Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013, has commented that the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as on 31st March, 2022.

9 ENVIRONMENT PROTECTION, CONSERVATION AND SOCIAL SAFEGUARD MEASURES

- **Installation of noise barriers**

  The Company took an initiative of erecting noise barriers in consultation with the World Bank. The purpose of the noise barrier is to attenuate the train noise. Four noise barriers have been erected in sensitive areas like schools and hospitals located within 100m from DFC tracks during the year 2021-2022. A total of 15 noise barriers have been erected so far along the EDFC. It will reduce approximately 10-15dB (A) noise generated from trains during train running operations. This is the first time in India that noise barriers are installed in any railway project.

Noise Barrier at sensitive receptors in Prayagraj East

- **Forest clearance**

  Stage-I forest clearance was obtained for 3.2797 Ha of land in districts of Meerut and Muzaffarnagar in Uttar Pradesh, and in the district of Patiala in Punjab. Additionally, Stage-II forest clearance was obtained for 8.6199 Ha of forest land in district of Giridih in Jharkhand.

- **Safe working hour**

  During the year 2021-22, the project has been executed safely during the construction phase and project has achieved a cumulative 90 million safe working hour without any fatal accidents and Loss time injury accident.

- **Waste to wonder practices**

  In a series of green Initiatives taken by the Company, reuse of concrete waste in making stages, repairing of haul road and seats in the project area have been regularly done. Waste rebars, safety helmets and plastic bottles have been reused for various purposes and waste generation due to project activity has been significantly minimised.

- **Tree plantation drive**

  A massive plantation of 65,000 trees as part of Green Belt Development along the DFCs have been done as part of compensatory afforestation.

- **Reduction in energy consumption**

  Energy saving measures were implemented such as use of 5-star electrical equipment, LED lights, solar panels at station building rooftop and yards, and so on. 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, crossings and junction stations.

- **Disposal of public grievance/arbitration and court cases**

Particulars	2021 - 2022				
	Grievances			Arbitration Cases	Court Cases
	MP	CPGRAMS	Public Grievances		
Filed	21	205	128	1,585	245
Disposed	21	185	94	1,600	256

- **Capacity building and awareness**

  Capacity building workshops for company officials, PMC, contractors and NGO staff are regularly organised by teams of environment experts. A message on 'Ecosystem Restoration' was conveyed by MD/DFCCIL to all Field Units on 'World Environment Day' on 5th June, 2021. National Days related to Environment, Workmen Safety, Fire Safety, and so on, are being observed in the organisation.

- **Zero gender-based violence in project**

  No gender violence cases were reported in EDFC-2 and 3 at EDFC work fronts, construction sites, and DFCCIL construction workers' residing areas. Regular sensitisation programmes for workers are held to avoid such incidents at worksite and nearby areas. World Bank guidelines for prevention of gender-based violence (GBV) are strictly followed. No case of gender-based violence was reported from the project vicinity.

- **Covid protocol and other facilities**

  Safe Operating Procedure (SOP) to protect the workforce from COVID-19 infection has been adopted and implemented at sites. Labour welfare facilities like rest shelter, first aid, portable toilet and safe drinking water have been provided at the premises.

9. HUMAN RESOURCE AND INDUSTRIAL RELATIONS

The HR Department serves the interests of the Company by supporting, developing, and protecting its most valuable resource — its people. The department is committed to provide quality services in an environment of continuous change for achieving business results through development of world-class HR core competencies. It promotes innovation through continuous learning and ensures employee empowerment by building a collaborative organisation characterised by a challenging yet supportive work environment. The Company is guided by ethical and professional standards.

9.1. MANPOWER MOBILISATION

For successful functioning of the Company, placement of right talent at the right place and at the right time is of paramount importance. Taking into consideration the long-term requirements of the Company, 656 employees has been inducted from various sources, out of which 408 candidates have joined through open market recruitment and immediate absorption. Additionally, a total of 12 posts were filled through permanent absorption at various levels/cadres in the Company. A total of 277 retired government employees have been re-engaged/inducted as Consultant/Advisor in various departments such as Traffic, Mechanical, Electrical, Civil and S&T. In addition, some of the retired employees have been engaged in Finance, HR & Administration, and Rajbhasha departments. In addition, four employees have been engaged during 2021-22 on a contractual basis in IT and OP&BD departments.

The Department of Public Enterprise has granted exemption to 341 below-Board level posts in the Company from the rule of immediate absorption up to 31st December, 2022. During the year, 75 employees have joined the Company on deputation basis. The total strength, as on 31st March 2022, stands at 2,454 employees (1,905 - Permanent, 189 - Deputation, 322 - Re-employed, 25-Contract and 13 - Consultants).

9.2. HR-RELATED POLICY INITIATIVES

The following policies have been framed/modified during the year:

- Appointment on compassionate ground
- Campus recruitment from National Rail and Transport Institute, Vadodara
- Modification in DFCCIL revised leave rules
- Revised DFCCIL Welfare Trust rules
- Eligibility criteria, mode of filling and selection criteria for filling up the posts at E9 (Executive Director) level
- Running allowance to tower wagon driver
- Recording and weeding of records
- Amendment to Company lease - residential accommodation rules
- Grievance redressal system
- Reimbursement of mobile call charge
- Adoption of continuous duty roaster for OP&BD staff at all the stations
- Eligibility for pension and option form for withdrawal of pension after the age of 58 years under Employee Pension Scheme, 1995.

9.3. TRAINING

DFCCIL has unique training needs and as an organisation, it is important to ensure availability of trained manpower for this ambitious project. Training starts with an exhaustive induction training of the new recruits which is followed by training at regular intervals such as Refresher Training and Promotional Training. At present, we meet this training need with the help of Zonal Railway Training Institutes and during the year 2021-22, induction and specialised technical trainings were organised for approximately 559 fresh recruits at ZRTI, Udaipur, IRICEN, IRIEEN, IRISET and ZRTIs at Sabarmati, Ghaziabad and Varanasi.

In addition to the above core requirements, a detailed training plan is prepared every year with the approval of the World Bank and for the year 2021-22, 909 employees have undergone training and 2,434 man-days of training was provided.

Since DFCCIL is a construction organisation which has already entered its operational phase, under the World Bank Training Plan, emphasis is given on technical trainings focusing on latest developments, nationally and internationally in the concerned fields like Construction Management, Safety Management, Environmental Management, and so on. Along with these, attention is also given to training programmes aiming at Emotional Intelligence, Stress Management and other Sensitisation programmes for an effective leadership and productive manpower.

Besides this, safety trainings are arranged for senior officers of different departments of the organisation from NAIR, Vadodara. Officers have also attended the IPWE seminar. Compliance trainings on Preventive Vigilance and leadership workshop on post-Covid business scenarios are also organised for senior officials.

Training is imparted from established institutes such as IIMs, MDI-Gurugram, ICWAI, ICW, AIMA, NAHRD, and Times Professional. Other government organisations like ISTM, DMRC-ICCfG are also roped in for providing trainings on RTI, ethical culture and risk management. Professional areas where training was imparted included Contract Management, Arbitration, Dispute Resolution, Tendering and Procurement, Financial Management, GST, GeM-GFR, and Corporate Governance, and so on. There were no foreign trainings organised this year owing to the pandemic travel restrictions.

9.4. WELFARE TRUST

DFCCIL Welfare trust rules have been revised, wherein, in case of death of an employee, financial assistance of an amount of INR 5 Lakh (in place of INR 2 Lakh being paid earlier) will be paid to the family of deceased employee.

9.5. INDUSTRIAL RELATIONS

The industrial relations climate in the Company has traditionally been harmonious. A collaborative atmosphere has been maintained in the Company so that employees are ready to take up challenges faced by the Company due to the changing business environment. An effective work culture has been established in the Company through empowerment, transparency, decentralisation and practice of participative management to support in overcoming challenges faced by the Company.

In order to infuse congenial and harmonious working environment in the organisation, significant measures have been adopted to augment the level of commitment and devotion amongst the employees of DFCCIL. In this regard, DFCCIL management facilitated the security personnel deployed in the corporate office for lauding their sense of duty especially during the second wave of COVID-19.

10. INFORMATION TECHNOLOGY

The Company is a green field organisation with lean work force and needs a robust IT infrastructure to provide low-cost solution to majority of its business processes. The IT department works closely with different stakeholders to provide a robust, reliable and flexible system to meet the requirements.

Some of the key achievements of the IT Department during the year under review are:

- **Dedicated Freight Information System (DFIS):** DFCCIL's in-house developed IT enabled platform, Dedicated Freight Information System (DFIS), is used for close monitoring of operations over DFC network. This application closely interacts with IT systems of IR such as Freight Operation Information System, (FOIS), Control Office Application (COA) and Train Management System (TMS).

- **SAP Implementation:** SAP, a world class ERP system, has been selected to map most of the business processes of the Company into an integrated and reliable system. The application is hosted on a Tier-III data centre which maintains availability of 99.5% uptime. The Company has successfully implemented the following modules:
  - o **HR Module**
  - o **Finance Module**
  - o **Material Management Module**
  - o **Project System**
- **In-house Application Development and Enhancement**
  - o **Application Development:** Various applications like Electrical Asset Management System, Project Progress Dashboard, e-Nischay, and Land Management System have been developed internally by the IT department to facilitate digital governance.
  - o **Enhancements:** NIC applications such as e-Office modules and NIC e-mail have been successfully implemented at the Company and forms the backbone of the organisation's filing and documentation processes. Since the launch of e-office version 7 in 2021, the Company is the second organisation after the Railway Board in the Ministry of Railways and the 5th PSU to adopt the same.
- **E-office and NIC Module:** NIC applications such as e-Office modules and NIC e-mail have been successfully implemented at the Company and forms the backbone of the organisation's filing and documentation processes. Since the launch of e-office version 7 in 2021, the Company is the second organisation after the Railway Board in the Ministry of Railways and the 5th PSU to adopt the same.
- **Cyber Security**
  - Cyber Audit of IT Network: The IT Network of the Company has been audited for the first time. The Audit was conducted by a CERT-IN empanelled agency. The agency besides conducting audit of network and end-point discovery, also conducted vulnerability assessment and penetration testing.
  - Cyber Security Awareness Month: The month of October 2021 was celebrated as the Cyber Security Awareness month. Several awareness lectures were conducted for enhancing the cyber awareness among officials.

11. POLICY INITIATIVES TO RESOLVE LEGAL ISSUES

- **DFCCIL's Standard Operating Procedure (SOP) for release of payments to the contractors in satisfaction of DAB (pre-Arbitration) and Arbitration awards**

  As per the decision taken, cases where the Dispute Adjudication Board (DAB)/Arbitration has passed orders in favour of the Contractors in proceedings under Clause 20.4 of the GCC (FIDIC 1999- Plant and Design Build Contracts) and such awards/ orders is to be further challenged by DFCCIL in Arbitration Tribunal/ Court, the Company is required to release and pay an amount equal to 75% of the total pay-out (that is the Award amount and the up-to-date interest amount) to the Contractors against a Bank Guarantee subject to the final order of the Arbitration Tribunal/Court in the case under challenge.

- **Dashboard and LIMBS set up for keeping a tight vigil on disputes/court cases**

  The dashboard on the DFCCIL website has been developed to keep a tab on the contractual disputes raised before the DAB and arbitration in various commercial contracts.

  The Law Department of the Company has now been entrusted with the responsibility to ensure the implementation of the Legal Information and Management System (LIMBS), which is an effort to make an online database of legal matters for better monitoring and management of legal cases. This involves close monitoring and co-ordination with the users spanning across various field units. The said website is now integrated with all the Ministries of the Government of India. It is gathered from the member's directory at LIMBS (court cases) that there are a total number of 29 registered users from CO and Field units.

- **Access to portals and organising seminars/ presentations**

  The Law department is taking all requisite steps in the direction of internal capacity building and augmenting the knowledge resources at the organisational level. Various subscriptions of online modules on Court cases (Legit quest), Arbitration Law (Kluwer Arbitration) and Construction Law (I-Law Construction), have been obtained.

  In addition, the Law Department has been routinely conducting various seminars, presentations and so on, to spread awareness about legal issues, especially pertaining to contractual disputes. Presentation on exploring possibilities for utilisation of procedure of amicable settlement provided in FIDIC (clause 20.4) was also organised. Further, lectures have also been arranged to spread legal awareness among the lower management level like the Dy.PM level, with a focus on basic legal issues like arbitration, substantive law, Dos' and Don'ts in court cases, court procedures, and so on.

Independent Auditors' 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 financial statements of Dedicated Freight Corridor Corporation of India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, and the statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, Total Comprehensive Income/ (Loss), the Changes in Equity and Cash Flows for the year ended as on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the 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 code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Attention is drawn to Note No. 41 to the Financial Statement as regards the accounting treatment and disclosures made by the Management in respect of transactions and balances resulting from the execution of the Concession agreement between the Ministry of Railways (MOR) and the Company, to implement the project of construction of Eastern and Western Dedicated Rail freight corridors and to operate and maintain the new railway for a period of 30 years. Pending a response to the clarification sought by the Company from the MoR, on the accounting treatment and disclosures made by the Company, while finalizing its financial statement for the year 2020-2021, recognized the infrastructural expenditure as 'Property, Plant and Equipment/ Capital work in progress; which as per C & A G was stated as in violation of IND AS 115; and as per the EAC of ICAI opinion, the consideration received by the Company (not considered as a public sector entity), would result in consideration being classified partly as financial asset and partly as intangible assets.

The management has received the response to the clarification sought from the MoR (on 11th January 2022), which re-affirms the company's earlier action for accounting and disclosure of the transactions arising from execution of the concession agreement. Accordingly, in the preparation and presentation of its financials for the year 2021-22, the Company, on consideration of the clarification, has continued to follow the accounting treatment and disclosures as made.

Our opinion is not modified in respect of the above matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Financial Statements and our Auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

Materiality is the magnitude of misstatements in the standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, and on the basis of such checks of the books and records of the company as

we considered appropriate and according to information and explanation given to us, we give in the "**Annexure-A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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. On the basis of written representation received from the management, we give our report on the matters specified in the **Annexure – B**.

3. As required by Section 143(3) of the Act, 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 financial statements i.e. Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the Books of Account;

   d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) Pursuant to the notification no. G.S.R. No. 463(E) dated 05th June 2015 issued by Ministry of Corporate Affairs, Government of India, the provisions of section 164(2) of the Companies Act 2013 regarding disqualification of directors, are not applicable to the company, being a government company.

   f) We are enclosing herewith a report in "Annexure-C" for our opinion on adequacy of internal financial controls system in place in the Company and the operating effectiveness of such controls

   g) Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company; and

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note no.32 to the Financial Statements;

      ii. The Company has made provision, as required under the applicable law or Accounting Standards, for all material foreseeable losses, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

      v. The company has not declared or paid any dividend during the year.

For **Suresh Chandra & Associates**
Chartered Accountants
FRN-001359N
UDIN – 22091514ALYYJJ3775

Sd/-
CA Anjula Gupta
(Partner)
M. No.091514

Place: New Delhi
Date: 30th June 2022

Annexure "A" to the Independent Auditor's Report*

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 members of Dedicated Freight Corridor Corporation of India Ltd. on the financial statements for the financial year ended March 31, 2022, we report that-

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the Financial Statements included under Property, Plant and Equipment are held in the name of the Company as at the Balance Sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or Financial Institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. The Company has not made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to companies, firms, Limited Liability Partnerships or other parties, during the year. Accordingly, paragraph 3(iii)(a), (b), (c), (d), (e),(f) of the order is not applicable.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dispute	Amount in Lakhs	Period (Asst. Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.23	2013-14	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. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not defaulted in repayment of loan or other borrowings or in the payment of interest thereon to the lenders.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The term loans raised during the year were applied for the purpose for which the same has been raised.

(d) On an overall examination of the financial statements of the Company, the company has not raised any funds on short-term basis which has been used during the year for long-term purposes

(e) The Company does not have any subsidiary, associate or Joint venture. hence, reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company does not have any subsidiary, associate or Joint venture and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our Audit procedures.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the Internal Audit Reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.

(c) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) pursuant to ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

xxi. As the company does not have any Subsidiary/Joint Venture entities, the Consolidated Financial Statements are not prepared. Hence reporting under Clause No. 3(xxi) of order is not applicable.

For **Suresh Chandra & Associates**
Chartered Accountants
FRN – 001359N
UDIN - 22091514ALYYJJ3775

Sd/-
CA Anjula Gupta
(Partner)
M. No.091514

Place: New Delhi
Date: 30th June 2022

'Annexure-B' to the Independent Auditors' Report

The Annexure referred to in Paragraph 2 under the heading 'Report on other legal and regulatory requirements' section of our report of even date to the members of Dedicated Freight Corridor Corporation of India Ltd. on the financial statements for the financial year ended March 31, 2022

Report on matters referred to in Section 143 (5) of Companies Act 2013.

S. No.	Directions	Reply
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication, 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 the process of implementation of SAP for accounting transactions.
2	Whether there are any restructuring of an existing loans 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 Govt. Company, then this direction is also applicable for Statutory Auditor of lender company).	According to information and explanation given to us, there is no restructuring of an existing loan or cases of waiver / write off of debts/ loan/ interest etc. made by a lender to the company due to company's inability to repay the loan.
3	Whether funds (grant / subsidy etc.) received / receivable for specific schemes from Central / State agencies were properly accounted for / utilised as per its term and conditions? List the cases of deviation.	According to information and explanation given to us, the company has not received any fund from Central / State agencies for specific schemes. Hence, this clause is not applicable.

The above information has been verified based on the information and explanations furnished to us at Corporate Office.

For **Suresh Chandra & Associates**
Chartered Accountants
FRN – 001359N
UDIN - 22091514ALYYJJ3775

Sd/-
CA Anjula Gupta
(Partner)
M. No.091514

Place: New Delhi
Date: 30th June 2022

Annexure "C" to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on other Legal and Regulatory Requirements' section of our report to the Members of Dedicated Freight Corridor Corporation of India Ltd. of even date).

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Dedicated Freight Corridor Corporation of India Ltd. ("the Company") as at March 31, 2022, in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's responsibility for internal financial controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing (SAs) prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in 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 control system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of un-authorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Suresh Chandra & Associates**
Chartered Accountants
FRN – 001359N
UDIN - 22091514ALYYJJ3775

Sd/-
CA Anjula Gupta
(Partner)
M. No.091514

Place: New Delhi
Date: 30th June 2022

Balance Sheet as at March 31, 2022

(All amounts in INR lakh, unless otherwise stated)

Particulars	Note No.	As At March 31, 2022	As At March 31, 2021
A. ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	22,75,957.10	13,66,650.81
(b) Capital work-in-progress	4	41,67,668.12	38,01,520.08
(c) Other intangible assets	5	8.35	7.89
(d) Intangible assets under development	6	2,147.20	2,147.20
(e) Right-of-use assets	7	3,183.40	4,949.62
(f) Financial assets			
(i) Other non-current financial assets	8	2,496.63	2,180.68
(g) Deferred tax assets (net)	9	-	3,354.61
(h) Other non-current assets	10	6,13,860.87	6,68,391.22
Total non current assets		**70,65,321.67**	**58,49,202.11**
II. Current assets			
(a) Financial assets			
(i) Trade Receivables	11	2,23,904.15	28,988.84
(ii) Cash and cash equivalents	12	63,280.02	27,565.29
(iii) Other Balances with Banks	13	25,902.84	20,570.12
(iv) Other current financial assets	8	23,106.32	13,301.69
(b) Current tax assets (net)	14	1,427.97	1,017.91
(c) Other current assets	10	89,243.52	30,779.73
Total current assets		**4,26,864.82**	**1,22,223.57**
Total assets		**74,92,186.49**	**59,71,425.68**
B. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	14,07,662.50	14,07,662.50
(b) Other equity	16	1,91,813.71	29,393.67
Total equity		**15,99,476.21**	**14,37,056.17**
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	32,42,207.43	26,73,878.16
(ii) Lease liabilities	7	875.84	2,263.45
(iii) Other financial liabilities	18	3,38,740.73	2,71,704.60
(b) Provisions	19	4,210.36	2,855.97
(c) Deferred tax liabilities (net)	9	1,409.93	-
(d) Other non-current liabilities	20	47,511.15	66,292.06
Total non-current liabilities		**36,34,955.44**	**30,16,994.24**
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	72,873.51	57,170.87
(ii) Lease Liabilities	7	2,294.65	2,637.74
(iii) Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		7.95	14.74
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		9.77	43.52
(iv) Other financial liabilities	18	20,62,686.29	13,95,160.48
(b) Other current liabilities	20	78,043.90	33,291.65
(c) Provisions	19	41,838.77	26,360.41
(d) Current tax liabilities (net)	22	-	2,695.86
Total current liabilities		**22,57,754.84**	**15,17,375.27**
Total liabilities		**58,92,710.28**	**45,34,369.51**
Total equity and liabilities		**74,92,186.49**	**59,71,425.68**
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 **Suresh Chandra & Associates**
Chartered Accountants
Firm's Registration Number: 001359N

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

Sd/-
Anjula Gupta
Partner
Membership Number 091514
UDIN: 22091514ALYYJJ3775

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: 30.06.2022

Statement of Profit and Loss for the year ended March 31, 2022

(All amounts in INR lakh, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
	Income			
I	**Revenue from Operations**	23	1,94,915.31	28,988.84
II	Other income	24	7,850.81	22,840.87
III	**Total income (I + II)**		**2,02,766.12**	**51,829.71**
	Expenses			
	(a) Employee benefits expense	25	14,350.50	3,927.24
	(b) Finance costs	26	89,670.54	7,920.75
	(c) Depreciation and amortization expense	27	83,355.47	18,377.11
	(d) Other expenses	28	15,596.83	6,425.41
IV	**Total Expense**		**2,02,973.34**	**36,650.51**
V	**Profit/ (loss) before exceptional items and tax (III-IV)**		**(207.22)**	**15,179.20**
VI	**Exceptional Items**		-	-
VII	**Profit/ (loss) before tax (V-VI)**		**(207.22)**	**15,179.20**
	Tax expense:			
	(a) Current tax		-	2,607.94
	(b) Deferred tax		4,015.98	1,325.78
	(c) Adjustment of tax relating to earlier periods		(2,607.94)	-
VIII	**Total tax expense**		**1,408.04**	**3,933.72**
IX	**Profit/(loss) for the year (VII-VIII)**		**(1,615.26)**	**11,245.48**
	Other Comprehensive Income/ (Loss)	29		
	(A) (i) Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		**(453.14)**	**245.33**
	(ii) Income tax relating to items that will not be reclassified to profit or loss		103.68	(63.79)
	(B) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax on items that will be reclassified to profit or loss		-	-
X	**Total other comprehensive income for the year, net of tax**		**(349.47)**	**181.54**
XI	**Total comprehensive income/(loss) of the year, net of tax (IX + X)**		**(1,964.72)**	**11,427.02**
XII	**Earnings per share: (Face value INR 1,000 per share)**	30		
	1) Basic (amount in INR)		(1.15)	7.99
	2) Diluted (amount in INR)		(1.15)	7.99
	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 **Suresh Chandra & Associates**
Chartered Accountants
Firm's Registration Number: 001359N

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

Sd/-
Anjula Gupta
Partner
Membership Number 091514
UDIN: 22091514ALYYJJ3775

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: 30.06.2022

Statement of Cash Flows for the year ended March 31, 2022

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I. Cash flow from operating activities		
Profit/ (Loss) before tax	(207.22)	15,179.20
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	83,355.47	18,377.11
Loss on sale of assets	41.82	20.51
Gain on lease modification	-	(80.70)
Interest income on financial assets	(3,819.01)	(5,392.04)
Unrealized foreign exchange fluctuation	18,199.60	(16,080.47)
Finance Cost	71,714.27	7,694.76
Operating profit before working capital changes	**1,69,284.93**	**19,718.37**
Change in working capital:		
(Increase)/ Decrease in other financial assets	(9,959.85)	(8,397.61)
(Increase)/ Decrease in Trade Receivable	(1,94,915.31)	(28,988.84)
(Increase)/ Decrease in other assets	(75,412.94)	(38,747.59)
Increase / (Decrease) in other financial liabilities	(23,792.72)	(23,982.87)
Increase / (Decrease) in provisions	16,832.75	12,371.66
Increase / (Decrease) in other liabilities	25,971.34	29,507.36
Cash Generated / (used in) operations	(91,991.80)	(38,519.53)
Less: Income Tax Paid (net of refunds)	(547.46)	(135.81)
Net Cash generated from /(used in) operating activities	**(92,539.26)**	**(38,655.34)**
II. Cash flow from investing activities:		
Purchase of property, plant & equipments including capital work in progress & asset under development	(12,47,663.48)	(13,40,266.45)
Sale of property, plant & equipments	35.58	33.16
(Increase)/ Decrease in capital advances	70,682.60	1,08,145.13
Net movement in other bank balances	(5,332.72)	(11,477.95)
Interest received	3,658.28	5,376.33
Net Cash Generated / (Used in) Investing Activities	**(11,78,619.75)**	**(12,38,189.78)**
III. Net cash flow from financing activities:		
Proceeds from Share Application Money	1,65,237.00	-
Net Fund Received/(Utilised) from MOR	6,77,730.84	7,97,058.22
Net Proceeds from Long Term Borrowings	5,86,592.90	5,24,308.79
Repayment of Long Term Borrowings	(58,043.51)	(26,998.98)
Payment of principal portion of lease liabilities	(2,663.75)	(2,488.04)
Interest Expense Paid	(61,979.74)	(13,136.59)
Net Cash generated / (used in) Financing Activities	**13,06,873.73**	**12,78,743.40**
Net change in Cash & cash equivalents (I+II+III)	35,714.73	1,898.29

Statement of Cash Flows for the year ended March 31, 2022

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash and cash equivalents as at the beginning of the year	27,565.29	25,667.00
Cash and cash equivalents at the end of the year (Note No. 12)	**63,280.02**	**27,565.29**
Components of Cash And Cash Equivalents		
With banks - on current account and deposits with banks	63,280.02	27,565.29
Total Cash and Cash equivalent	**63,280.02**	**27,565.29**
Non Cash Transactions:		
Increase/(Decrease) in liabilities arising from financing activities on account of non cash transactions:		
Exchange Differences	47,371.65	(11,577.63)
EIR adjustment of prepaid borrowings	8,592.04	343.57
EIR adjustment of security deposit	898.99	4,516.27

Details of amount incurred in relation to CSR activities is mentioned below:

(All amounts in INR lakh, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
(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)	-	-
(ii) Amount spent during the year	**85.75**	**34.51**
Nature Of CSR Activities:-		
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
b) Payment for setting up of Oxygen Generator Plant at DDU Hospital	42.93	-
c) Payment for educational & employment enhancing vocation skills	42.82	15.89
d) Others	-	4.03
	85.75	**34.51**
(iii) Total of Previous Years Shortfall,	29.33	63.84
(iv) Shortfall At the End Of The Year	-	29.33

Summary of Significant Accounting Policies Note 2.1

The accompanying notes form an integral part of these financial statements
As per our Report of even date attached

For **Suresh Chandra & Associates**
Chartered Accountants
Firm's Registration Number: 001359N

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

Sd/-
Anjula Gupta
Partner
Membership Number 091514
UDIN: 22091514ALYYJJ3775

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: 30.06.2022

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity share capital

(All amounts in INR lakh, unless otherwise stated)

	Number of Shares	Amount
Equity shares of INR 1000 each issued, subscribed and fully paid		
As at April 1, 2020	14,07,66,250	14,07,662.50
Changes in Equity Share capital due to prior period errors	-	-
Restated balance as at April 1, 2020	14,07,66,250	14,07,662.50
Issue of share capital	-	-
As at March 31, 2021	**14,07,66,250**	**14,07,662.50**
Equity shares of INR 1000 each issued, subscribed and fully paid		
As at April 1, 2021	14,07,66,250	14,07,662.50
Changes in Equity Share capital due to prior period errors	-	-
Restated balance as at April 1, 2021	14,07,66,250	14,07,662.50
Issue of share capital	-	-
As at March 31, 2022	**14,07,66,250**	**14,07,662.50**

B. Other equity

(All amounts in INR lakh, unless otherwise stated)

	Share application money pending allotment	Reserves & surplus	Other comprehensive income (Net of Taxes)	Total
		Retained earnings		
As at April 01, 2020	-	**17,712.84**	**253.81**	**17,966.65**
Profit for the year	-	11,245.48	-	11,245.48
Other comprehensive income*	-		181.54	181.54
Total comprehensive income for the year	-	**11,245.47**	**435.35**	**11,427.02**
Shares issued during the year	-	-	-	-
Share application money received during the year	-	-	-	-
Balance at March 31,2021	-	**28,958.32**	**435.35**	**29,393.67**

Statement of Changes in Equity for the year ended March 31, 2022

B. Other equity (Contd..)

(All amounts in INR lakh, unless otherwise stated)

	Share application money pending allotment	Reserves & surplus	Other comprehensive income (Net of Taxes)	Total
		Retained earnings		
As At April 1, 2021	-	**28,958.32**	**435.35**	**29,393.67**
Profit for the period	-	(1,615.26)	-	(1,615.26)
Other comprehensive income*	-	-	(349.47)	(349.47)
MAT Credit Lapsed#	-	(852.24)	-	(852.24)
Total comprehensive income for the year	**-**	**(2,467.50)**	**(349.47)**	**(2,816.96)**
Shares issued during the year	-	-	-	-
Share application money received during the year	1,65,237.00	-	-	1,65,237.00
Balance at March 31,2022	**1,65,237.00**	**26,490.82**	**85.89**	**1,91,813.71**

* Represents Re-measurement Gain/(Loss) of defined benefit plans (net)

#Due to exercise of Option for taxation u/s 115BAA of the Income Tax Act, 1961

Notes:

Retained earnings represents accumulated profit of company as on March 31,2022

Summary of Significant Accounting Policies Note 2.1

The accompanying notes form an integral part of these financial statements
As per our Report of even date attached

For **Suresh Chandra & Associates**
Chartered Accountants
Firm's Registration Number: 001359N

Sd/-
Anjula Gupta
Partner
Membership Number 091514
UDIN: 22091514ALYYJJ3775

Sd/-
Ravindra Kumar Jain
Managing Director
DIN-08641707

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

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

Sd/-
Meenu Kapoor
Company Secretary
ACS-18954

Place of Signature: New Delhi
Date: 30.06.2022

Notes to Financial Statements

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 as Amended. The financial statements have been prepared on the historical cost convention on accrual and going concern basis except for certain financial instruments which are measured at fair value as required by relevant Ind AS at the end of each reporting period, as explained in the relevant accounting policies mentioned.

The financial statements are presented in INR and all values are rounded to the nearest two decimals of lakh, unless otherwise stated.

Note 2.1: Significant accounting policies

a) Basis of measurement

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

b) Functional and presentation currency

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

c) Use of judgments and estimates

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

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

i. Judgements

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

Leases:

Where the Company is the lessee, key judgements 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

Notes to Financial Statements

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

Notes to Financial Statements

	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.

Residual value of the assets/components of assets having life less than 30 years has been considered based on the technical evaluation carried out by the engineers of the company.

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

Notes to Financial Statements

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.

Notes to Financial Statements

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective rate interest amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

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

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

Derecognition of financial liabilities

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

Modifications of financial assets and financial liabilities

Financial assets

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

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

Financial liabilities

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

h) Revenue 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

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

Notes to Financial Statements

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.

i) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs, in terms of Para 6(e) of Ind AS-23, are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ (losses).

j) Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Provision/liabilities towards Foreign Service Contribution are made in terms of Government Rules & Regulations for employees on deputation.

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

Notes to Financial Statements

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.

Notes to Financial Statements

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.

Notes to Financial Statements

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 33 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.

v. Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively

s) Application of New Accounting Pronouncements effective from April 01, 2021:

The MCA has notified Companies (Indian Accounting Standards) Amendment Rules, 2021 and the same has been applied by the company during the year. The changes pursuant to application of the amendments does not have any impact on the net worth, financial position, financial performance or on the cash flow of the the company.

Notes to Financial Statements

Note 3 : Property, plant and equipment

(All amounts in INR lakh, unless otherwise stated)

Particulars	Leasehold premises improvement	Office/ Station building	Viaduct, Bridges, Tunnels, Culverts	Track Work	Electrical Equipments	Signaling & Telecom Equipments	Plant & Equipments	Office equipments	Furniture and Fixtures	EDP assets	Total
Gross Block											
As at April 01, 2020	**419.89**	**-**	**-**	**-**	**-**	**-**	**740.20**	**645.79**	**1,374.97**	**1,092.50**	**4,273.35**
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
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	(115.40)	(35.65)	(98.23)	(249.28)
Add: Acquisitions through Business Combinations	-	-	-	-	-	-	-	-	-	-	-
Amount of Change due to revaluation	-	-	-	-	-	-	-	-	-	-	-
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**
As at April 01, 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**
Add: Additions made during the year	-	47,965.48	2,48,498.93	4,04,708.92	1,70,275.53	1,04,161.19	14,156.09	175.75	279.82	330.01	9,90,551.72
Less: Disposals / adjustments during the year	-	-	-	-	-	-	-	(9.74)	(69.13)	(112.15)	(191.02)
Add: Acquisitions through Business Combinations	-	-	-	-	-	-	-	-	-	-	-
Add/Less: Amount of Change due to revaluation	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**422.74**	**1,21,940.31**	**5,13,106.31**	**10,73,576.17**	**4,03,021.89**	**2,41,309.88**	**17,133.53**	**950.82**	**1,866.17**	**1,527.08**	**23,74,854.90**
Depreciation and impairment											
As at April 01, 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)
Add/Less: Amount of Change due to revaluation	-	-	-	-	-	-	-	-	-	-	-
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**
As at April 01, 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**
Add: Depreciation charge for the year	10.61	3,889.59	12,707.39	40,822.20	11,371.61	11,415.00	362.99	149.09	176.64	242.26	81,147.39
Less: On disposals / adjustments during the year	-	-	-	-	-	-	-	(7.62)	(13.53)	(71.83)	(92.98)
Add/Less: Amount of Change due to revaluation	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**386.52**	**4,713.08**	**14,993.60**	**49,117.81**	**13,530.92**	**13,603.66**	**454.34**	**448.06**	**693.48**	**956.36**	**98,897.80**
Net book value											
As at March 31, 2022	**36.23**	**1,17,227.23**	**4,98,112.71**	**10,24,458.36**	**3,89,490.97**	**2,27,706.22**	**16,679.19**	**502.76**	**1,172.69**	**570.73**	**22,75,957.10**
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**

Note: During the year, the Company has commissioned one section Madar to New Palanpur (357.195 Kms) on 08.10.2021.

Notes to Financial Statements

Note 4 : Capital Work-in-progress*

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	38,01,520.08	37,95,661.68
Add: Additions made during the year	13,41,758.09	13,83,202.92
Less: Disposals / adjustments during the year	-	-
Less: Transfer to Capitalisation	(9,75,610.05)	(13,77,344.52)
Add: Acquisitions through Business Combinations	-	-
Add/Less: Amount of Change due to revaluation	-	-
Closing Balance	**41,67,668.12**	**38,01,520.08**

*Capital Work in Progress mainly comprises track, earthwork, bridges and other electrical equipment. As per Ind AS - 23 Borrowing Cost, INR 568,315.56 lakh (till March 31, 2021: INR 456,777.67 lakh) have been capitalized to capital work in progress till March 31, 2022. Further, other expenditure net of incidental income of INR 160,185.79 lakh (till March 31, 2021: INR 154,011.42 lakh) have been recorded as capital work in progress till March 31, 2022.

Note: During the year, the Company has commissioned one section Madar to New Palanpur (357.195 Kms) on 08.10.2021.

Capital work in progress (CWIP) Ageing Schedule

March 31, 2022

(All amounts in INR lakh, unless otherwise stated)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress					
EDFC	4,19,494.79	5,09,001.33	3,96,033.56	4,89,751.18	18,14,280.85
WDFC	8,71,384.34	7,66,055.05	4,82,082.66	2,33,865.21	23,53,387.27
Projects temporarily Suspended	-	-	-	-	-
	12,90,879.13	**12,75,056.38**	**8,78,116.21**	**7,23,616.39**	**41,67,668.12**

March 31, 2021

(All amounts in INR lakh, unless otherwise stated)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress (EDFC & WDFC)					
EDFC	5,09,001.33	3,96,033.56	2,83,841.87	2,08,051.60	13,96,928.35
WDFC	8,29,041.06	6,49,940.29	5,14,965.43	4,10,644.95	24,04,591.73
Projects temporarily Suspended	-	-	-	-	-
	13,38,042.39	**10,45,973.84**	**7,98,807.30**	**6,18,696.55**	**38,01,520.08**

Capital work in progress (CWIP) Completion Schedule

March 31, 2022

(All amounts in INR lakh, unless otherwise stated)

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
EDFC	12,99,338.52	12,01,489.90	-	-	25,00,828.42
WDFC	3,52,710.11	10,66,094.74	2,48,034.85	-	16,66,839.70
	16,52,048.63	**22,67,584.64**	**2,48,034.85**	**-**	**41,67,668.12**

Notes to Financial Statements

Note 4 : Capital Work-in-progress* (Contd..)

March 31, 2021

(All amounts in INR lakh, unless otherwise stated)

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
EDFC	-	9,91,788.49	6,96,509.96	-	16,88,298.45
WDFC	6,20,328.09	2,69,224.55	10,34,343.34	1,89,325.65	21,13,221.63
	6,20,328.09	**12,61,013.04**	**17,30,853.30**	**1,89,325.65**	**38,01,520.08**

Note : 5 Other Intangible Assets

(All amounts in INR lakh, unless otherwise stated)

Particulars	Licenses/ Softwares	Total
Gross block		
As at April 01, 2020	**254.25**	**254.25**
Add: Additions during the year	7.29	7.29
Less: Disposals / adjustments during the year	(0.01)	(0.01)
Add: Acquisitions through Business Combinations	-	-
Amount of Change due to revaluation	-	-
As at March 31, 2021	**261.53**	**261.53**
As at April 01, 2021	261.53	261.53
Add: Additions during the period	8.30	8.30
Less: Disposals / adjustments during the year	-	-
Add: Acquisitions through Business Combinations	-	-
Amount of Change due to revaluation	-	-
As at March 31, 2022	**269.82**	**269.82**
Amortisation and impairment		
As at April 01, 2020	**244.51**	**244.51**
Add: Amortisation charge for the year	9.12	9.12
Less: On disposals / adjustments during the year	-	-
Amount of Change due to revaluation	-	-
As at March 31, 2021	**253.63**	**253.63**
As at April 01, 2021	253.63	253.63
Add: Amortisation charge for the period	7.84	7.84
Less: On disposals / adjustments during the year	-	-
Amount of Change due to revaluation	-	-
As at March 31, 2022	**261.48**	**261.48**
Net book value		
As at March 31, 2022	**8.35**	**8.35**
As at March 31, 2021	**7.89**	**7.89**

Notes to Financial Statements

Note 6 : Intangible Assets under Development

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	2,147.20	1,770.91
Add: Additions made during the year	-	376.29
Less: Disposals / adjustments during the year	-	-
Less: Transfer to Capitalisation	-	-
Add: Acquisitions through Business Combinations	-	-
Add/Less: Amount of Change due to revaluation	-	-
Closing Balance	**2,147.20**	**2,147.20**

Intangible Assets under development Ageing Schedule

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022				
	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	-	376.29	634.63	1,136.28	2,147.20
Projects temporarily Suspended	-	-	-	-	-
	-	**376.29**	**634.63**	**1,136.28**	**2,147.20**

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2021				
	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	376.29	634.63	5.52	1,130.76	2,147.20
Projects temporarily Suspended	-	-	-	-	-
	376.29	**634.63**	**5.52**	**1,130.76**	**2,147.20**

Intangible Assets under development completion Schedule

(All amounts in INR lakh, unless otherwise stated)

March 31, 2022	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
- SAP Implementation	2,147.20	-	-	-

(All amounts in INR lakh, unless otherwise stated)

March 31, 2021	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
- SAP Implementation	2,147.20	-	-	-

Notes to Financial Statements

Note 7: 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 :

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
	Right-of-Use: Building	Right-of-Use: Building
Balance at opening	4,949.62	7,541.53
Adjustment due to lease modification	0.34	632.27
Additions	933.39	706.13
Depreciation expense	2,699.27	2,665.79
Balance at Closing	**3,183.40**	**4,949.62**

Lease liabilities :

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
	Right-of-Use: Building	Right-of-Use: Building
Balance at opening	4,901.19	7,396.06
Adjustment due to lease modification	0.34	712.96
Additions	933.39	706.13
Accreditation of interest	305.43	444.77
Payments	2,969.17	2,932.81
Balance at Closing	**3,170.48**	**4,901.19**
Current Part	2,294.65	2,637.74
Non-Current Part	875.84	2,263.45

Amounts recognised in profit and loss :

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense of right-of-use assets (Refer Note No. 27)	2,699.27	2,665.79
Interest expense on lease liabilities (Refer Note No. 26)	305.43	444.77
Expense relating to short-term leases (Refer Note No. 28)	274.12	237.64

The maturity analysis of lease liabilities is given in Note 37.

Leases: Cash Flows

Included in cash flows from operating activities is INR 274.12 lakh (March 31, 2021 : INR 237.64 lakh) and Included in cash flows from financing activities INR 2663.75 lakh (March 31, 2021: INR 2488.04 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 .

Notes to Financial Statements

Note 7: Leases (Contd..)

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 INR 426.48 lakh (March 31, 2021: INR 568.50 lakh) has been recognised and included under revenue from other incomes.

Note 8 : Other financial assets

(All amounts in INR lakh, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(Unsecured and considered good, unless otherwise stated)				
Security deposits (Refer note below)				
- Considered Good	2,314.03	2,073.77	550.05	165.92
- Considered Doubtful	-	-	146.36	146.36
Employee advances	182.60	106.91	117.26	110.96
Interest accrued on fixed deposit	-	-	255.97	95.23
Expenditure on land acquisition - Recoverable from MOR #	-	-	6,799.15	4,679.13
Expenditure on PETS/DPR survey - Recoverable from MOR #	-	-	3,632.16	0.10
Other recoverable #	-	-	11,751.74	8,250.35
	2,496.63	**2,180.68**	**23,252.69**	**13,448.05**
Less: Loss Allowance		-	(146.36)	(146.36)
	2,496.63	**2,180.68**	**23,106.32**	**13,301.69**

Includes recoverable from related parties ` 20,636.24 lakh (March 31, 2021: ` 12,050.23 lakh)

The company has not granted any loans or advance in the nature of loan to promotors, directors, KMP's and related parties either severally or jointly with any other person that are either repayable on demand or where the terms or period of repayment is not specified.

Note 9 : Deferred tax assets/(liabilities) (net)

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets:		
Unabsorbed depreciation	61,342.00	13,608.85
Unabsorbed losses	18,507.72	19,119.54
Loss Allowance	36.84	38.05
Right-of-use assets (ROU)	42.62	50.60
	79,929.17	**32,817.04**

Notes to Financial Statements

Note 9 : Deferred tax assets/(liabilities) (net) (Contd..)

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities:		
Depreciation and Amortization on Property, Plant & equipment and Intangible assets	62,018.57	20,557.36
Foreign exchange on reinstatement of loan	19,320.53	12,365.25
	81,339.10	**32,922.61**
Minimum Alternate Tax Credit Entitlement	-	3,460.18
Deferred tax assets/(liabilities) (net)	**(1,409.93)**	**3,354.61**

Deferred Tax/ Income Tax

A. Amounts recognised in statement of profit and loss

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax expense		
Current year	-	2,607.94
Adjustment for change in estimates for prior period	(2,607.94)	-
	(2,607.94)	**2,607.94**
Deferred tax expense		
Origination and reversal of temporary differences	4,015.98	1,325.78
	4,015.98	**1,325.78**
Total Tax Expense	**1,408.04**	**3,933.72**

B. Amounts recognised in Other Comprehensive Income

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurement Gain/(Loss) of defined benefit liability	(453.14)	103.68	(349.47)	245.33	(63.79)	181.54
	(453.14)	**103.68**	**(349.47)**	**245.33**	**(63.79)**	**181.54**

C. Reconciliation of effective tax rate

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31,2022		For the year ended March 31,2021	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations		(207.22)		15,179.20
Tax using the Company's domestic tax rate	25.17%	(52.15)	26.00%	3,946.59
Effect of change in tax rate*	1.63%	(3.38)	0.00%	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income				
- Corporate social responsibility expense	-10.42%	21.58	0.06%	8.97

Notes to Financial Statements

Note 9 : Deferred tax assets/(liabilities) (net) (Contd..)

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31,2022		For the year ended March 31,2021	
	Rate	Amount	Rate	Amount
Depreciation / Amortization Expense	-670.65%	1,389.73	-0.02%	(3.37)
Income/ expenses capitalised since the Company is in pre-operative stage	-50.03%	103.68	-0.42%	(63.79)
Non-deductible expenses	24.82%	(51.42)	0.42%	63.00
Changes in estimates related to prior years	0.00%	-	-0.12%	(17.67)
	-679.49%	**1,408.04**	**25.92%**	**3,933.72**

*The Company has 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 25.168% (Income tax 22%+ Surcharge 10% + Cess 4%) rate of Corporate tax in its accounts for Financial Year 2021-22.

D. Movement in deferred tax balances

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2021	Recognized in P&L	Charged to Retained Earning	Recognized in OCI	As at March 31, 2022
Deferred Tax Assets					
Property, plant & equipment and intangible assets	-	-	-	-	-
Share issue transaction cost	-	-	-	-	-
Unabsorbed depreciation	13,608.85	47,733.15	-	-	61,342.00
Unabsorbed losses	19,119.54	(611.83)	-	-	18,507.72
Loss Allowance	38.05	(1.22)	-	-	36.83
Right-of-use assets (ROU)	50.60	(7.98)	-	-	42.62
Remeasurements Gain/ (Loss) of defined benefit liability	-	(103.68)		103.68	-
	32,817.04	**47,008.45**	**-**	**103.68**	**79,929.17**
Deferred Tax Liabilities					
Property, plant & equipment and intangible assets	20,557.36	41,461.21	-	-	62,018.57
Foreign exchange on reinstatement of loan	12,365.25	6,955.28	-	-	19,320.53
	32,922.61	**48,416.49**	**-**	**-**	**81,339.10**
Minimum Alternate Tax Credit Entitlement	3,460.18	(2,607.94)	(852.24)	-	0.00
Net deferred tax asset	**3,354.61**	**(4,015.98)**	**(852.24)**	**103.68**	**(1,409.93)**

(All amounts in INR lakh, unless otherwise stated)

Particulars	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
	19,282.25	**13,534.79**	**-**	**-**	**32,817.04**

Notes to Financial Statements

Note 9 : Deferred tax assets/(liabilities) (net) (Contd..)

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2020	Recognized in P&L	Charged to Retained Earning	Recognized in OCI	As at March 31, 2021
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	**4,744.19**	**(1,389.58)**	**-**	**-**	**3,354.61**

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.

Note 10 : Other assets

(All amounts in INR lakh, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(Unsecured and considered good, unless otherwise stated)				
Capital advances				
- Mobilisation Advance	91,925.98	1,31,156.22	-	-
- Advance for Shifting of Utilities *	2,47,411.64	3,07,412.05	-	-
- Advance for ROB/RUB * (refer note 20(i))	83,778.39	77,434.47	-	-
- Advance for Capital Works-Others * (refer note 20(i))	54,817.17	32,613.05	-	-
Interest accrued on mobilization advances & others	-	-	3,057.49	3,005.91
Gratuity Fund	-	-	635.09	387.87
Prepaid expenses	-	3.29	138.96	656.35
Balance with Government Authorities	94,397.42	1,12,817.05	85,208.80	24,413.85
Amount paid against Arbitration/ DAB Awards towards Capital Works-Secured	38,843.91	6,955.09	-	-
Other advances	2,686.36	-	203.18	2,315.74
	6,13,860.87	**6,68,391.22**	**89,243.52**	**30,779.73**

* includes advances given to related parties INR 211,240.51 lakh (March 31, 2021 INR 149,375.71 lakh)

Note 11 : Trade Receivables

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022					
	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	Total
Trade Receivable - Unbilled*						
From Related Party (refer note 35)	1,94,915.31	-	28,988.84	-	-	2,23,904.15
	1,94,915.31	**-**	**28,988.84**	**-**	**-**	**2,23,904.15**

Notes to Financial Statements

Note 11 : Trade Receivables (Contd..)

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2021					
	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	Total
Trade Receivable - Unbilled*						
From Related Party (refer note 35)	28,988.84	-	-	-	-	28,988.84
	28,988.84	-	-	-	-	**28,988.84**

*Represent TAC accrued but not billed. Also refer note 23

* 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.

No trade receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The company does not hold collateral as security.

Note 12 : Cash and cash equivalents

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks:		
- In current and flexi account	63,280.02	27,565.29
	63,280.02	**27,565.29**

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

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks:		
- In current and flexi account	63,280.02	27,565.29
	63,280.02	**27,565.29**

Note 13 : Other Balances with Banks

(All amounts in INR lakh, unless otherwise stated)

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
Earmarked balances with banks (refer note 20(ii))	25,206.29	20,027.10
Deposits with original maturity of more than 3 months but less than 12 months*	696.55	543.02
	25,902.84	**20,570.12**

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

Notes to Financial Statements

Note 14: Current tax assets (net)

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax Paid/Deducted	1,209.77	799.71
[Net of provision of INR Nil, (March 31, 2021 : INR Nil)]		
Amount paid under protest:		
- Income Tax	218.20	218.20
	1,427.97	**1,017.91**

Note 15 : Equity Share capital

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised:		
220,000,000* (March 31, 2022 : 220,000,000) equity shares of INR 1,000 each	22,00,000.00	22,00,000.00
Issued, subscribed & fully paid up:		
140,766,250* (March 31, 2022: 140,766,250) equity shares of INR 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 :

Particulars	(Number of Shares)		(Amount in INR Lakh)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	22,00,00,000	22,00,00,000	22,00,000.00	22,00,000.00
Increase/(decrease) during the year	-	-	-	-
Balance at the end of the year	**22,00,00,000**	**22,00,00,000**	**22,00,000.00**	**22,00,000.00**

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

Particulars	(Number of Shares)		(Amount in INR Lakh)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	14,07,66,250	14,07,66,250	14,07,662.50	14,07,662.50
Increase/(decrease) during the year	-	-	-	-
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.

Notes to Financial Statements

Note 15 : Equity Share capital (Contd..)

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

(All amounts in INR lakh, unless otherwise stated)

Particulars	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%

d) **Shares held by promoters at the end of the year**

Equity Share of INR 1000 Each

(All amounts in INR lakh, unless otherwise stated)

Name of The Promoter	As at March 31,2022			As at March 31,2021		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
The President of India & his nominees	14,07,66,250	100.00%	-	14,07,66,250	100.00%	-

Note 16: Other equity

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Share Application Money Pending Allotment		
Balance at the beginning of the year	-	-
Add: Share application money received from Ministry of Railways	1,65,237.00	-
Less: Shares issued during the year to Ministry of Railways	-	-
Balance at the end of the year	**1,65,237.00**	-
b) Retained earnings		
Balance at the beginning of the year	29,393.67	17,966.65
Add: Profit/(Loss) for the year after taxation as per statement of Profit and Loss	(1,615.26)	11,245.48
Less: Remeasurement gain/(loss) of defined employee benefits plan (Net of Tax)	(349.47)	181.54
Less: Adjustment on account of Lapsing of MAT Credit	(852.24)	-
Balance at the end of the year	**26,576.71**	**29,393.67**
Total (a+b)	**1,91,813.71**	**29,393.67**

Note 17: Borrowings

(All amounts in INR lakh, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Term loans (unsecured)				
- JICA	21,66,653.58	17,55,221.42	-	-
- IBRD	10,75,553.85	9,18,656.74	-	-
Total	**32,42,207.43**	**26,73,878.16**	**-**	-
Current maturities of long term borrowings	-	-	72,873.51	57,170.87
	32,42,207.43	**26,73,878.16**	**72,873.51**	**57,170.87**

Notes to Financial Statements

Note 17: Borrowings (Contd..)

Terms of repayment and interest are as follows :

(All amounts in INR lakh, unless otherwise stated)

Loan From	Repayment Terms	Year of Maturity	Rate of Interest p.a.	Carrying Amount	
				As at March 31, 2022	As at March 31, 2021
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	4,84,831.34	4,79,742.23
MoR for EAP Projects JICA - 209 A	Refer Note (a) below	2050	7% - Fixed	30,365.34	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	7,74,275.92	5,52,366.11
MoR for EAP Projects JICA - 229 A	Refer Note (a) below	2053	7% - Fixed	31,089.64	22,464.42
MoR for EAP Projects JICA - 253	Refer Note (a) below	2056	7% - Fixed	6,41,764.16	6,41,764.16
MoR for EAP Projects JICA - 253A	Refer Note (a) below	2056	7% - Fixed	8,760.35	8,760.35
MoR for EAP Projects JICA - 288	Refer Note (a) below	2060	7% - Fixed	1,75,800.08	-
MoR for EAP/IBRD Projects - 8066	Half Yearly	2033 in remaining 23 instalments	0.86 % - Variable	3,13,914.13	3,26,179.35
IBRD for EAP Projects- 8318	Half Yearly	2035 in 28 instalments	0.86 % - Variable	4,65,642.73	4,59,982.08
IBRD for EAP Projects- 8513	Half Yearly	2037 in 30 instalments	1.06% - Variable	3,68,870.50	1,89,666.17
Total				**33,15,080.94**	**27,31,049.02**

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.

Notes to Financial Statements

Note 17: Borrowings (Contd..)

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 26.

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, the terminal date of the loan is March, 2022 but will be open for submission of final IUFR up to July 31, 2022.

Note 18 : Other financial liabilities

(All amounts in INR lakh, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Deposits/ Retention money	1,342.19	17,050.93	24,599.77	32,497.89
Interest accrued but not due on loan	3,37,398.54	2,54,653.67	53,237.30	53,885.61
Earnest money deposit	-	-	368.69	262.69
Employee related liabilities*	-	-	2,611.58	2,336.26
Creditors for capital expenditure**	-	-	1,03,177.68	1,04,690.95
Funds received from MOR pending adjustment	-	-	18,78,533.96	12,00,803.12
Others	-	-	157.32	683.95
	3,38,740.73	**2,71,704.60**	**20,62,686.29**	**13,95,160.48**

Note:

*Employee related liabities includes INR 0.83 Lakh as at March 31, 2022 (March 31, 2021 : INR 0.89 Lakh) due to related parties

**Creditors for capital expenditure includes INR 811.79 lakh as at March 31,2022 (March 31, 2021 : INR 977.86 lakh) due to related parties.

Others includes Lease Rent payable, SLAO expenses payable .

Note 19 : Provisions

(All amounts in INR lakh, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits				
- Leave encashment	3,692.27	2,455.82	382.90	234.21
- Leave travel concession	518.09	400.15	41.36	41.36
Provisions for project expenses (refer note below)	-	-	41,414.50	26,084.84
	4,210.36	**2,855.97**	**41,838.77**	**26,360.41**

Notes to Financial Statements

Note 19 : Provisions (Contd..)

Note: Movement of provision for work done but not billable

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the begining	26,084.84	13,594.29
Provision during the year	41,414.50	26,084.84
Provision used during the year	(26,084.84)	(13,594.29)
Balance at the end	**41,414.50**	**26,084.84**

Note 20 : Other liability

(All amounts in INR lakh, unless otherwise stated)

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Advance for ROB/ RUB (refer note i below)	18,297.11	45,689.42	-	-
Income received in advance	-	754.90	-	-
Advance received from customers against deposit work	29,214.03	19,142.74	-	-
Other advances received	-	705.00	-	-
Advance for land (Pending for transfer to SLAO A/c) (refer note ii below)	-	-	60,198.79	20,027.10
Duties and taxes payable	-	-	17,663.81	11,905.10
Book Overdraft	-		181.30	1,359.45
	47,511.15	**66,292.06**	**78,043.90**	**33,291.65**

Notes:

i. The company is working on few ROBs 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. On receipt of final bill/ completion of works, final adjustments shall be carried out.

ii. 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 13)

Note 21 : Trade Payables

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
- Outstanding dues of micro enterprises and small enterprises	7.95	14.74
- Outstanding dues of creditors other than micro enterprises and small enterprises	9.77	43.52
	17.72	**58.26**

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 INR Nil (March 31, 2021 : INR 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:

Notes to Financial Statements

Note 21 : Trade Payables (Contd..)

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	6.58	13.37
(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	1.37	1.37
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil

d) The amount does not include any amount due to be transferred to Investor Protection and Education fund.

e) Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them, 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.

Trade Payable Ageing Schedule

As at March 31, 2022

(All amounts in INR lakh, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	6.13	1.82			7.95
(ii) Others	9.77				9.77
(iii) Disputed dues - MSME					
(iv) Disputed dues - others					

As at March 31, 2021

(All amounts in INR lakh, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	14.74				14.74
(ii) Others	43.52				43.52
(iii) Disputed dues - MSME					
(iv) Disputed dues - others					

Notes to Financial Statements

Note 22 : Current Tax Libilities

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Provisions for tax	-	2,695.86
[Net of Advance Tax/TDS : ` NIL, (March 31, 2021 : `135.81 lakh]		
	-	**2,695.86**

Note 23 : Revenue from Operations

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Services		
- Track Access Charges	1,94,915.31	28,988.84
	1,94,915.31	**28,988.84**

a) Disaggregated revenue information

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Track Access Charges(TAC)*	1,94,915.31	28,988.84
	1,94,915.31	**28,988.84**

*TAC 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.

b) Reconciliation of Revenue from operations with Contract Price

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract Price	1,94,915.31	28,988.84
Less:		
Rebate and Discount	-	-
Total Revenue from operations	**1,94,915.31**	**28,988.84**

c) Movement in unbilled revenue

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the begning of the year	28,988.84	-
Add: Revenue recognized during the year	1,94,915.31	28,988.84
Less: Invoice raised during the year	-	-
Balance at the closing of the year	**2,23,904.15**	**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, 2022 is INR Nil.

Notes to Financial Statements

Note 23 : Revenue from Operations (Contd..)

e) Information about major customers

Ministry of Raiway is the single customer of the Company during the year ended March 31, 2022.

Note 24 : Other Income

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Interest income				
- on Flexi FDR		3,805.71		4,550.24
- on Income Tax Refund		13.30		712.70
- on others		-		129.11
Rent Received for Tower Wagon		129.23		144.76
Foreign currency fluctuation gain		1,210.16		16,512.77
Miscellaneous income		2,347.07		283.76
Excess Provision Written Back		-		59.94
Recovery on sub- lease	426.48		568.50	
Less: Expenses on sub- lease	81.15	345.33	120.90	447.59
Net other income		**7,850.81**		**22,840.87**

Note 25 : Employee benefits expense

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages	23,858.23	19,291.77
Contribution to provident and other funds	2,095.05	1,599.58
Gratuity	379.50	302.94
Staff welfare expenses	1,941.75	1,227.90
	28,274.52	**22,422.19**
Less: Transferred to development account (Refer note 31)	13,924.03	18,494.95
	14,350.50	**3,927.24**

Note 26 : Finance cost

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Expenses on:		
EAP/JICA loan	1,33,785.01	1,09,455.66
IBRD loan	18,561.37	12,300.24
Lease liabilities	305.43	444.77
MSME	-	0.66
Income Tax/TDS	(222.83)	223.73
Other Taxes	(20.51)	2.26

Notes to Financial Statements

Note 26 : Finance cost (Contd..)

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Other finance cost	956.30	4,516.27
Exchange differences regarded as adjustment to interest cost	47,268.79	(11,577.63)
	2,00,633.56	**1,15,365.96**
Less: Transferred to development account (Refer note 31)	1,10,963.03	1,07,445.21
	89,670.54	**7,920.75**

Note 27 : Depreciation & Amortization Expenses

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant & equipment (Refer note 3)	81,147.39	16,277.03
Depreciation of Right-of-use assets (Refer note 7)	2,699.27	2,665.79
Amortisation of Intangible assets (Refer note 5)	7.84	9.12
	83,854.51	**18,951.94**
Less: Transferred to development account (Refer note 31)	499.03	574.83
	83,355.47	**18,377.11**

Note 28 : Other expenses

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent expense	274.12	237.64
Tours, travels and conveyance	4,311.65	3,745.43
Seminar and training expenses	811.36	542.98
Advertisement expenses	336.68	797.67
Housekeeping & manpower expenses	1,854.39	2,032.38
Office security expenses	746.56	410.16
Legal and professional charges	1,376.94	1,071.79
Corporate social responsibility	85.75	34.51
Communication expenses	668.59	197.65
Printing and stationary	158.68	195.39
Consultancy fees to consultants	450.27	598.15
Recruitment expenses	915.52	92.32
Electricity expenses	2,152.22	8,099.09
Repair and maintenance - others	4,973.74	797.64
Rates and taxes	0.37	2.12
Foundation day expense	-	10.92
Computer job work	57.36	186.46

Notes to Financial Statements

Note 28 : Other expenses (Contd..)

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Payment to statutory auditors *	16.80	20.85
Meeting and conference	49.41	34.94
Office expenses	113.62	84.55
Hospitality expenses	68.69	35.67
Miscellaneous expenses	2,348.49	931.01
	21,771.21	**20,159.32**
Less: Transferred to development account (Refer note 31)	6,174.37	13,733.91
Total	**15,596.83**	**6,425.41**

*** Details of payment made to auditors is as follows:**

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As statutory auditor:		
- For Audit	14.00	14.00
- For Taxation Matters	2.80	2.80
- For Other Services	-	4.05
	16.80	**20.85**

Note 29 : Components of Other Comprehensive Income

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Re-measurement gains/ (losses) on defined benefit plans	(453.14)	245.33
Income tax expense	103.68	(63.79)
	(349.47)	**181.54**

Note 30 : Earning per share

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earning per share		
Total profit/ (loss) for the year	(1,615.26)	11,245.48
Weighted average number of equity shares of ` 1,000 each (In lakh)	1,407.66	1,407.66
EPS - Basic	**(1.15)**	**7.99**
Diluted earning per share		
Total profit/ (loss) for the year	(1,615.26)	11,245.48
Weighted average number of equity shares of ` 1,000 each (In lakh) - Diluted (refer note below)	1,449.76	1,407.66
EPS - Diluted*	**(1.15)**	**7.99**

*For the year ended on 31-Mar-2022, Potential Equity Shares on account of Share Application Money Pending Allotment were excluded from calculation of Diluted EPS as their effect would have been anti-dilutive.

Notes to Financial Statements

Note 30 : Earning per share (Contd..)

Note:

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted Avg No. of Equity Shares Outstanding during the year	1,407.66	1,407.66
Add: Weighted Avg No. of Potential Equity Shares on account of Share Application Money	42.10	-
Weighted Avg No. of Equity Shares Outstanding during the year-diluted	1,449.76	1,407.66

Note 31 : Development account (pending capitalisation)

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Employees benefit expense		13,924.03		18,494.95
Finance cost		1,10,963.03		1,07,445.21
Depreciation and amortization expense		499.03		574.83
Other expenses		6,174.37		13,733.91
Total (A)		**1,31,560.46**		**1,40,248.90**
Less:				
Liquidated damages deducted/(released)	(3,356.92)		(3,402.75)	
Interest income on retention money	2.16		4.92	
Interest on mobilization advance	3,398.04		2,238.98	
Interest on advances - employees	8.61		9.36	
Security deposit/EMD forfeited	248.77		2,348.53	
Sale of tender	11.15		20.43	
Gain on lease modification	-		80.70	
Loss on sale of property, plant and equipment	(47.68)	264.13	(15.52)	1,284.65
Total (B)		**264.13**		**1,284.65**
Total transferred to capital work in progress (CWIP)		**1,31,296.33**		**1,38,964.25**

Note 32 : 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 INR 1,735,477.81 lakhs (March 31, 2021: INR 2,504,431.40 lakhs)

(ii) Estimated amount of revenue commitments (net of advances) and not provided for INR 4243.80 lakhs (March 31, 2021: INR NIL)

(iii) 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 comiitted to follow the aforementioned loan condition.

Notes to Financial Statements

Note 32 : Contingent liabilities, contingent assets and commitments (Contd..)

B. Contingent Liabilities

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against Company not acknowledged as debt (refer(i) below)	6,15,072.04	5,73,100.82
Disputed liability under Income Tax (refer (ii) below)	125.33	270.96
	6,15,197.37	**5,73,371.78**

(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 33 : 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.

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 One section(Two Sections in Previous Years) of its ongoing projects (refer note 3) Information related to each reportable segment is set out below.

For the year ended March 31, 2022

(All amounts in INR lakh, unless otherwise stated)

	EDFC	WDFC	Unallocated	Total
Segment Revenue				
Revenue from operation	67,007.49	1,27,907.81	-	1,94,915.31
Other Income	-	-	7,850.81	7,850.81
Total Revenue	**67,007.49**	**1,27,907.81**	**7,850.81**	**2,02,766.12**
Employee benefits expense	5,008.19	6,393.99	2,948.32	14,350.50
Other expenses	5,768.64	6,896.62	2,931.58	15,596.83
Segment Result (EBDIT)	**56,230.67**	**1,14,617.21**	**1,970.91**	**1,72,818.79**
Depreciation and amortization expense	33,130.59	48,285.19	1,939.69	83,355.47
Finance costs	23,100.08	66,332.02	238.44	89,670.54
Profit before tax	-	-	-207.22	-207.22
Tax expense	-	-	1,408.04	1,408.04
Profit for the year	**-**	**-**	**-1,615.26**	**-1,615.26**

Notes to Financial Statements

Note 33 : Segment information (Contd..)

For the year ended March 31, 2021

(All amounts in INR lakh, unless otherwise stated)

	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 and New Rewari to Palanpur (Previous Year Madar to New Rewari)

(All amounts in INR lakh, unless otherwise stated)

	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total Assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
As at March 31, 2022						
EDFC	29,45,417.65	-	29,45,417.65	12,50,636.63	-	12,50,636.63
WDFC	44,26,153.28	-	44,26,153.28	27,28,537.57	-	27,28,537.57
Unallocated	-	1,20,615.91	1,20,615.91	-	19,13,536.42	19,13,536.42
Total	**73,71,570.92**	**1,20,615.91**	**74,92,186.83**	**39,79,174.20**	**19,13,536.42**	**58,92,710.62**
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	-	6,20,518.69	6,20,518.69	-	13,07,476.91	13,07,476.91
Total	**53,50,906.99**	**6,20,518.69**	**59,71,425.68**	**32,26,892.59**	**13,07,476.91**	**45,34,369.50**

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:

(All amounts in INR lakh, unless otherwise stated)

Name of the customer	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Amount	%	Amount	%
Ministry of Railway (MOR)	1,94,915.31	100.00%	28,988.84	100.00%

Notes to Financial Statements

Note 34 : 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.

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contribution to Provident Fund	1,120.07	1,011.86
Contribution to National Pension Scheme*	974.97	587.72

* 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, 2022. 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:

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Net defined benefit liability	NIL	NIL

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:

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022 (Gratuity Funded)	As at March 31, 2021 (Gratuity Funded)
Defined benefit obligation		
Balance at beginning of the year	1,664.82	1,541.50
Service Cost	405.72	290.54
Net Interest Cost	112.54	104.21
Actuarial (gain)/loss on obligation	484.58	(240.94)
Benefits paid directly by the enterprises	(92.94)	(30.48)
Balance at closing of the year	**2,574.73**	**1,664.82**

Notes to Financial Statements

Note 34 : Employee benefits (Contd..)

C. Cost for the year included under employee benefit

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022 (Gratuity Funded)	As at March 31, 2021 (Gratuity Funded)
Current Service Cost	405.72	290.54
Interest Cost (Net)	(26.22)	12.40
	379.50	**302.94**

D. Movement in Fair value of Plan Assets

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022 (Gratuity Funded)	As at March 31, 2021 (Gratuity Funded)
Fair value of plan assets at the beginning of the period	2,052.70	1,358.13
Actual return on plan assets	177.31	110.37
Fund management charges	(7.12)	(14.17)
Employer contribution	1,079.86	628.85
Benefits paid	(92.94)	(30.48)
Fair value of plan assets at the end of the period	**3,209.81**	**2,052.70**

E. Details of actuarial gain/loss recognized in OCI

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022 (Gratuity Funded)	As at March 31, 2021 (Gratuity Funded)
Actuarial gain / (loss) for the year on PBO	(484.58)	240.94
Actuarial gain /(loss) for the year on Asset	31.43	4.39
Unrecognized actuarial gain/(loss) for the period.	**(453.15)**	**245.33**

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

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022 (Gratuity Funded)	As at March 31, 2021 (Gratuity Funded)
Present value of Defined Benefit Obligation	2,574.73	1,664.83
Fair value of plan assets	3,209.81	2,052.70
Net Defined Benefit (assets) / liability	**(635.09)**	**(387.87)**

G. Actuarial assumptions

a) Economic assumption

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

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	7.26%	6.76%
Expected rate of future salary increase	6.00%	6.00%

Notes to Financial Statements

Note 34 : Employee benefits (Contd..)

b) **Demographic assumption**

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
Attrition at Ages	**Withdrawal Rate (%)**	**Withdrawal Rate (%)**
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, 2022, the weighted average duration of the defined benefit obligation was 13.81 years (March 31, 2021 : 13.65 years)

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.

(All amounts in INR lakh, unless otherwise stated)

Name of the customer	March 31,2022		March 31, 2021	
	Amount	%	Amount	%
Discount rate (0.5% movement)	(105.89)	114.94	(68.30)	74.09
Expected rate of future salary increase (0.5% movement)	105.08	(102.92)	73.77	(68.90)

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:**

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
0 to 1 years	216.14	126.74
1 to 2 years	211.91	137.02
2 to 3 years	215.82	144.20
3 to 4 years	230.68	137.57
4 to 5 years	203.44	137.51
5 to 6 years	149.89	128.56
from 6 years onwards	1,346.84	853.22

(iii) Other long-term employee benefits:

a) Earned leave and half pay leave

During the year ended March 31, 2022, the Company has incurred an expense on earned leave and half pay leave amounting to ` 1620.90 lakh (March 31, 2021 : `109.33 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.

Notes to Financial Statements

Note 34 : Employee benefits (Contd..)

b) Leave travel concession

During the year ended March 31, 2022, the Company has incurred an expense on leave travel concession amounting to ₹ 149.08 lakh (March 31, 2021: ₹ 151.23 lakh). The Company determines the expense and the present value of the obligation for leave travel concession as per the actuarial valuation, using the Projected Unit Credit Method.

Note 35 : 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 15). 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.Entities with which the Company has significant transactions with MOR,RDSO,Rites Ltd,Konkan,Railtel,IRCTC,Concor,RVNL,Indian Railway,CRIS.

ii. Key Managerial Personnel (KMP)

Sh. Ravindra Kumar Jain	MANAGING DIRECTOR (W.E.F. DECEMBER 11, 2020)
Sh. Hira Ballabh	CHIEF FINANCIAL OFFICER AND DIRECTOR FINANCE (W.E.F. MAY 05, 2020)
Sh. Hari Mohan Gupta	DIRECTOR (PP) (ADDITIONAL CHARGE) (W.E.F. 01.01.2021) & DIRECTOR (INFRASTRUCTURE) (W.E.F. OCTOBER 13, 2020)
Sh. Nanduri Srinivas	DIRECTOR (OPERATIONS & BUSINESS DEVELOPMENT) (W.E.F. JUNE 15, 2020)
Sh. B. Ramana Kumar	INDEPENDENT DIRECTOR (W.E.F JULY 11, 2019)
Sh. Vinay Kumar Tripathi	PART-TIME CHAIRMAN (W.E.F. JANUARY 12, 2022)
Sh. Suneet Sharma	PART-TIME CHAIRMAN (W.E.F. AUGUST 26, 2021 TO DECEMBER 31, 2021)
Sh. R. N. Singh	PART TIME OFFICIAL DIRECTOR - GOVERNMENT NOMINEE-MOR (W.E.F JUNE 20, 2019)
Sh. Pawan Palta	INDEPENDENT DIRECTOR (W.E.F NOVEMBER 09, 2021)
Sh. Amarnath Yadav	INDEPENDENT DIRECTOR (W.E.F DECEMBER 07, 2021)
Ms. Meenu Kapoor	COMPANY SECRETARY (W.E.F MARCH 31, 2008)

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

(All amounts in INR lakh, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
Ministry of railways & its constituent	**AMOUNT RECEIVED**		
	Receipt pending adjustment*	12,54,400.00	11,20,029.00
	*Transfer towards Share Application Money(out of receipts) is INR 165237 Lakhs only.		
	Advance for Land	1,91,746.13	73,258.36
	Advance for ROB/RUB	67,522.55	29,722.75
	AMOUNT PAID		
	For Tower Wagon	6,642.17	205.12
	For Service towards Trolly Refuge	266.44	-
	For Connection of IR Track	500.00	-
	For Construction of quarters	600.00	-

Notes to Financial Statements

Note 35 : Related parties (Contd..)

(All amounts in INR lakh, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
	Advance towards Shifting of Utility, Capital Advance, ROB Works and Construction of Flats, Road.	61,864.80	52,301.07
	Purchase of FA Tower Wagon	3,333.24	1,689.52
	ON BEHALF OF MOR		
	Land facilitation expenses	2,108.49	1,158.55
	Cost Sharing towards RCC Bridge Works	5,094.00	3,600.00
	Cost Sharing towards ROB/RUB	98,202.02	-
	INCOME		
	Track Access Charges	1,94,915.31	28,988.84
	Rental Income	-	221.91
	EXPENSES		
	Machine hiring Charges	234.42	-
	Supervision Charges	25.42	21.19
	Design & Construction	110.39	-
	Software/Seminar / Consultancy/Other Expenses	1,109.62	2,025.91
Entities under Ministry of Railways	**AMOUNT PAID/PAYABLE**		
	Railway Design and Standards Organization(RDSO)		
	- Recruitment Expenses	2.14	-
	- Inspection Charges	86.21	27.17
	Rail India Technical and Economic Services Private Limited (Rites Ltd)		
	- Advance For ROB/RUB	53.80	156.01
	- Project Management Consultancy services	4,188.20	5,709.17
	- Electrical Repair	225.00	-
	- Inspection Charges	126.29	122.48
	- EMD	-	10.74
	- Refund of Security Deposit	3.16	-
	Konkan Railway Corp. Ltd		
	- Advance towards Utility Charges	9.77	-
	Indian Railway Catering and Tourism Corporation (IRCTC)		
	- Inspection Charges	53.12	6.68
	Rail Vikas Nigam Limited (RVNL)		
	- Advance for IR Connectivity	1,736.14	-
	- Adv for Const/purchase of Flat/GH-HO	-	575.24
	Railtel		
	- Professional & Consultancy Charges	42.71	17.52
	- Internet & Telephone Charges	504.45	26.51
	- Computer & Software Charges	17.10	7.46
	- Annual Maintenance Charges	146.91	-

Notes to Financial Statements

Note 35 : Related parties (Contd..)

(All amounts in INR lakh, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended March 31, 2022	For the year ended March 31, 2021
	AMOUNT RECEIVED/ RECEIVABLE		
	CONCOR		
	- Application Fee Received for PFT Policy	9.90	-
	- Overhead Charges	89.62	-
	- Advance for Deposit Work & Other	7,200.18	435.00
	Total	**19,03,169.70**	**13,20,316.18**
Remuneration to Key Managerial Personnel	A) Short-term Employee Benefits	219.41	187.39
	B) Post-Employment Benefits	8.01	-4.60
	C) Other Long-Term Benefits	8.18	-2.21
	D) Sitting Fee	3.00	2.80
	Total	**238.61**	**183.38**

Outstanding balances with related parties

(All amounts in INR lakh, unless otherwise stated)

Name of Related Party	Nature of Transaction	As at March 31, 2022	As at March 31, 2021
	Recoverable Balances		
Ministry of Railways	Expenditure on PETS/DPR Survey	3,632.16	0.10
	Land facilitation expenses	7,342.57	5,232.19
	MOR Rent and other Expense	-	458.57
	Unbilled Revenue towards TAC	2,23,904.15	28,988.84
	Advance for Tower Wagon	6,642.17	-
	Shifting of utilities, Capital Advance, ROB works and Construction of Flats.	2,11,240.51	1,49,375.71
	Project Related work & Other Services	7,751.97	212.40
Entities under Ministry of Railways	Centre for Railway Information System	8.28	8.28
	Konkan	9.77	-
	Railtel	1,376.97	1,293.23
	Rail India Technical and Economic Services Private Limited	-	496.77
	Concor	1,237.26	-
	Rail Vikas Nigam Limited	3,944.99	2,208.85
	Total	**4,67,090.81**	**1,88,274.96**
	Credit Balances		
Ministry of Railways	Funds received (Pending Adjustment)	20,43,770.96	12,00,803.12
	Advance for land facilitation expenses	60,200.68	20,027.10
	Advance received for ROB/RUB	10,865.23	41,544.70
	Project related work & Other Services	1,460.02	871.60
Entities under Ministry of Railways	Railtel	386.98	386.76
	Rail India Technical and Economic Services Private Limited	48.45	51.61
	CONCOR	20,085.39	16,078.41
	Railway Design and Standards Organization	11.48	19.47
	Total	**21,36,829.18**	**12,79,782.76**

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.

Notes to Financial Statements

Note 36 : Corporate Social Responsibility

(All amounts in INR lakh, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(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)	-	-
(ii) Amount spent during the year		
Nature Of CSR Activities:-		
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
b) Payment for setting up of Oxygen Generator Plant at DDU Hospital	42.93	-
c) Payment for educational & employment enhancing vocation skills	42.82	15.89
d) Others	-	4.03
	85.75	**34.51**
(iii) Total of Previous Years Shortfall,	29.33	63.84
(iv) Shortfall At the End Of The Year	-	29.33

Note 37 : Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

(All amounts in INR lakh, unless otherwise stated)

Particulars	As At March 31, 2022			As At March 31, 2021		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial assets						
Non-Current						
Other non-current financial assets (Refer Note 8)						
- Security Deposits Considered Good	-	-	2,314.03	-	-	2,073.77
- Security Deposits Considered Doubtful	-	-	146.36	-	-	146.36
- Others	-	-	182.60	-	-	106.91
Current						
Cash and cash equivalents (Refer Note 12)	-	-	63,280.02	-	-	27,565.29
Bank balances other than above (Refer Note 13)	-	-	25,902.84	-	-	20,570.12
Other current financial assets (Refer Note 8)						
- Interest accrued on fixed deposits	-	-	255.97	-	-	95.23
- Expenditure on land acquisition - recoverable from MOR	-	-	6,799.15	-	-	4,679.13
- Expenditure on PETS survey - recoverable from MOR	-	-	3,632.16	-	-	0.10
- Other recoverable	-	-	11,751.74	-	-	8,250.35
- Security deposits	-	-	550.05	-	-	165.92
- Employee advances	-	-	117.26	-	-	110.96
Trade Receivables	-	-	2,23,904.15	-	-	28,988.84
	-	**-**	**3,38,836.33**	**-**	**-**	**92,752.98**

Notes to Financial Statements

Note 37 : Financial instruments – Fair values and risk management (Contd..)

(All amounts in INR lakh, unless otherwise stated)

Particulars	As At March 31, 2022			As At March 31, 2021		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial liabilities						
Non-Current						
Borrowings (Refer Note 17)	-	-	32,42,207.43	-	-	26,73,878.16
Lease liabilities (Refer Note 7)	-	-	875.84	-	-	2,263.45
Other non-current financial liabilities (Refer Note 18)	-	-	3,38,740.73	-	-	2,71,704.60
Current						
Borrowings (Refer Note 17)	-	-	72,873.51	-	-	57,170.87
Trade Payables (Refer Note 21)	-	-	17.72	-	-	58.26
Other current financial liabilities (Refer Note 18)						
- Earnest money deposit	-	-	368.69	-	-	262.69
- Employee related liability	-	-	2,611.58	-	-	2,336.26
- Deposits/ retention money	-	-	24,599.77	-	-	32,497.89
- Creditors for capital expenditure	-	-	1,03,177.68	-	-	1,04,690.95
- Funds received from MOR pending adjustment	-	-	18,78,533.96	-	-	12,00,803.12
- Interest accrued but not due on loan	-	-	53,237.30	-	-	53,885.61
- Others	-	-	157.32	-	-	683.95
Lease liabilities (Refer Note 7)	-	-	2,294.65	-	-	2,637.74
	-	**-**	**57,19,696.17**	**-**	**-**	**44,02,873.53**

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

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Employee advances	-	-	182.60	182.60
Total financial assets	**-**	**-**	**182.60**	**182.60**
Financial liabilities				
Borrowings	-	-	32,42,207.43	32,42,207.43
Lease liabilities (Refer Note 7)	-	-	3,170.48	3,170.48
Deposits/ Retention money	-	-	1,342.19	1,342.19
Total financial liabilities	**-**	**-**	**32,46,720**	**32,46,720**

Notes to Financial Statements

Note 37 : Financial instruments – Fair values and risk management (Contd..)

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

(All amounts in INR lakh, unless otherwise stated)

Particulars	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 7)	-	-	4,901.19	4,901.19
Deposits/ Retention money	-	-	17,050.93	17,050.93
Total financial liabilities	**-**	**-**	**26,95,830.27**	**26,95,830.27**

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:

Particulars	Carrying Values		Fair Values	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets measured at amortized cost				
Employee advances	182.60	106.91	182.60	106.91
	182.60	**106.91**	**182.60**	**106.91**
Financial liabilities measured at amortized cost				
Borrowings	32,42,207.43	26,73,878.16	32,42,207.43	26,73,878.16
Lease liabilities (Refer Note 7)	3,170.48	4,901.19	3,170.48	4,901.19
Deposits/ Retention money	1,342.19	17,050.93	1,342.19	17,050.93
	32,46,720.10	**26,95,830.27**	**32,46,720.10**	**26,95,830.27**

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.

Notes to Financial Statements

Note 37 : Financial instruments – Fair values and risk management (Contd..)

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. 11.

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.

Notes to Financial Statements

Note 37 : Financial instruments – Fair values and risk management (Contd..)

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:

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Loan from JICA	7,57,138.75	3,63,639.13
Loan from IBRD	53,449.66	2,26,947.98
	8,10,588.41	**5,90,587.11**

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 31.09 years (March 31, 2021 - 31.23 years) for JICA loan and have an average maturity of 13.50 years (March 31, 2021 - 14.80 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.

(All amounts in INR lakh, unless otherwise stated)

Particulars	Carrying Amounts	Contractual cash flows				
	31-Mar-22	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	33,15,080.94	33,18,190.89	72,873.51	85,266.70	2,55,800.10	29,04,250.58
Deposit/ retention money	25,941.96	25,941.96	24,599.77	1,342.19		
Lease liabilities	3,170.48	3,170.48	2,294.65	875.84		
Interest accrued but not due on loan - JICA	3,86,777.48	3,81,870.87	49,378.94	25,487.70	76,463.10	2,30,541.13
Earnest money deposit	368.69	368.69	368.69	-	-	-
Employee related liability	2,611.58	2,611.58	2,611.58	-	-	-
Trade Payables	17.72	17.72	17.72	-	-	-
Others payables	1,03,177.68	1,03,177.68	1,03,177.68	-	-	-
Funds received from MOR pending adjustment	18,78,533.96	18,78,533.96	18,78,533.96	-	-	-
Interest accrued but not due on loan from IBRD	3,858.36	3,858.36	3,858.36	-	-	-
Total non-derivative liabilities	**57,19,538.85**	**57,17,742.19**	**21,37,714.86**	**1,12,972.43**	**3,32,263.19**	**31,34,791.71**

Notes to Financial Statements

Note 37 : Financial instruments – Fair values and risk management (Contd..)

(All amounts in INR lakh, unless otherwise stated)

Particulars	Carrying Amounts	Contractual cash flows				
	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	**44,02,873.53**	**44,12,636.12**	**14,55,027.34**	**96,833.10**	**2,73,279.33**	**25,87,496.34**

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial liabilities					
Borrowings	USD	15,151.19	13,579.66	11,51,537.31	9,87,048.43
	JPY	-	-	-	-

Notes to Financial Statements

Note 37 : Financial instruments – Fair values and risk management (Contd..)

Particulars		Amount in Foreign Currency		Amount in INR	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Others payables	USD	5.49	11.13	417.50	809.09
	JPY	4,724.01	45,930.06	2,908.10	30,456.22
Interest accrued but not due on loan from IBRD	USD	50.77	43.48	3,858.36	3,160.73
	JPY	-	-	-	-

The following significant exchange rates have been applied

Particulars	Average Rates		Year end spot rates	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
USD 1	74.3429	73.9228	76.0031	72.6858
JPY 1	0.6394	0.7005	0.6156	0.6631

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.

Particulars	Profit or loss after tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2022				
USD (1% movement)	(8,553.02)	8,553.02	(8,553.02)	8,553.02
JPY (1% movement)	(21.52)	21.52	(21.52)	21.52
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

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, 2022 and March 31, 2021, 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.

Particulars	Nominal Amount	
	As At March 31, 2022	As At March 31, 2021
Fixed-rate instruments		
Financial liabilities	21,66,653.58	17,55,221.42
	21,66,653.58	**17,55,221.42**

Notes to Financial Statements

Note 37 : Financial instruments – Fair values and risk management (Contd..)

Particulars	Nominal Amount	
	As At March 31, 2022	As At March 31, 2021
Variable-rate instruments		
Financial liabilities	11,51,537.31	9,87,048.43
	11,51,537.31	**9,87,048.43**

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.

Particulars	Equity, net of tax	
	100 bp increase	100 bp decrease
March 31, 2022		
Fixed-rate instruments	(77,267.86)	58,439.18
Fair flow sensitivity (net)	**(77,267.86)**	**58,439.18**
March 31, 2021		
Fixed-rate instruments	(45,042.74)	61,210.59
Fair flow sensitivity (net)	**(45,042.74)**	**61,210.59**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date (Previous year 100 basis points) 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.

Particulars	Profit or loss		Equity, net of tax	
	25 bps increase	25 bps decrease	25 bps increase	25 bps decrease
March 31, 2022				
Variable-rate instruments	(2,154.30)	2,154.30	(2,154.30)	2,154.30
Cash flow sensitivity (net)	**(2,154.30)**	**2,154.30**	**(2,154.30)**	**2,154.30**
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**

Note 38 : Capital management

Company is in construction phase (except for three sections which has already been commissioned) 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.

Notes to Financial Statements

Note 38 : Capital management (Contd..)

The Company's adjusted net debt to equity ratio was as follows:

(All amounts in INR lakh, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings (Refer Note 17)	33,15,080.94	27,31,049.02
Less: cash and cash equivalents	63,280.02	27,565.29
Net debt	**32,51,800.92**	**27,03,483.73**
Equity share capital (Refer Note 15)	14,07,662.50	14,07,662.50
Other equity (Refer Note 16)	1,91,813.71	29,393.67
Total Capital	**15,99,476.21**	**14,37,056.17**
Capital and net debt	**48,51,277.13**	**41,40,539.91**
Gearing ratio	**67.03%**	**65.29%**

Note 39: Ratio Analysis and its elements

Rate	Numerator	Denominator	March 31, 2022	March 31, 2021	% variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.19	0.08	10.85%	
Debt - Equity Ratio	Total Debt (borrowing + Lease Liability)	Shareholder's Equity	2.03	1.90	12.53%	
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non cash operating expenses	Debt service = interest & Lease payment + Principal Repayments	0.40	0.22	18.10%	
Return on Equity ratio	Net profit after taxes preference Dividend	Average Shareholder's Equity	-0.00	0.01	-1.07%	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
Unbilled revenue Turnover Ratio	Net Credit sales = Gross Credit sales - sales return	Average Unbilled revenue	0.87	1.00	-12.95%	
Trade Payable Turnover Ratio	Operation & Maintenance Exps of Sections commissioned	Average Trade Payables	0.00	0.01	-1.31%	
Net Capital Turnover	Net sales = Total sales - sales return	Working Capital = Current assets -Current liabilities	-0.11	-0.02	-8.57%	
Net profit ratio	Net profit	Net Sales = Total Sales - Sales return	-0.00	0.52	-52.47%	There was FERV gain during Previous Year as against FERV loss during the current Financial Year.
Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.02	0.01	0.97%	
Return on Investment	Interest (Finance Income)	Investment	NA	NA	NA	

Notes to Financial Statements

Note 40: Other Regulatory Disclosures

- Company doesn't have any Benami Property,where any Proceeding has been Initiated or Pending against the Company for holding any benami Property.
- Company doesn't have execute any transaction with companies Struck off.
- The Company doesn't have any charges or satisfaction which is yet to be registered with ROC beyond statutory period.
- The Company has not traded or invested in crypto-currency or Virtual Currency during the financial year.
- The Company Doesn't have not any transaction which is not recorded in Books of Account that has been surrendered or disclose as income during the year.
- The company Doesn't give any advanced or received any loans from foreign entity.
- The company has not borrowed funds from banks and financial institutions on the basis of security of current assets.
- There are no downstream companies and hence no disclosure is required to be made under clause 87 of section 2 of the Act read with the Companies(restriction of number of layers) Rules, 2017.
- The company has not defaulted in repayment of principal or interest on borrowings availed from various agencies. The company has not been declared as a wilful defaulter by any of the lending agencies or government company.
- The company does not have any immovable property where the title deeds are not in the name of the company.
- The funds borrowed from various agencies have been utilised for the purpose for which it has been availed.
- The company has not advance or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any other person or entity (ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- The company has not received any funds from any person or entity (ie), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

Note 41 : 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 for the year ended March 31. 2018.

Accordingly, Reference was made by Management to the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) for seeking its opinion on the appropriateness of the methodology followed as aforesaid i.e., as to the accounting treatment of capital expenditure incurred by the company on such project and its disclosure. Opinion of EAC was received vide its letter number TD/EAC/1694/19 dated 04/02/2020 wherein it 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 was also of the view that the DFCCIL is not a public sector entity envisaged under Appendix D of Ind AS 115 but is a private sector entity.

The Company submitted additional facts/information to the EAC for a review of its opinion. However, EAC confirmed that the opinion earlier given, was appropriate and did not call for any revision. The management approached MoR seeking clarification and appropriate instructions in the above matter.

Notes to Financial Statements

Note 41 : (Contd..)

Pending clarifications by MOR, C&AG has commented on the financial statements for the year ended March 31, 2021 u/s 143(6)(b) of the Companies Act, 2013 on the accounting treatment adopted by DFCCIL.

MOR vide its letter no. 2021/infra/6/17 dated January 11, 2022 has examined the matter in the backdrop of C&AG comments and opinion furnished by EAC of ICAI and has decided as under –

(i) Amount spent on construction of DFCs shall continue to be capitalised in the book of accounts of DFCCIL and therefore Ownership and control of assets will vest with DFCCIL.

(ii) MOR will not capitalise the assets built by DFCCIL in its books of accounts.

(iii) Arrangement between DFCCIL and MOR cannot be treated as Public-Private arrangement. It is also clarified that as of now DFCCIL is MoR's PSU (with 100% equity holding holding by IR) and not a private sector entity as being contended by EAC.

On the basis the clarification received from MOR, the management of the company has, in the preparation and presentation of its financials for the year 2021-22, continued its accounting treatment and disclosures as adopted in the previous year.

Note 42: Impact of COVID-19 on the Company

There has been a second wave of the pandemic 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 43 : 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 44: As per Letter No. 2013/Infra/6/30 dated 02.07.2015, MoR has approved cost estimtate of Dedicated Frieght Corridor (DFC) Project for INR 73,392 Crores. The Company has sought approval from MoR vide Letter No. HQ/EN/CO/WC/DFCC/Completion/Estimate dated 25.10.2021 for revised estimated completion cost for INR 1,02,159 Crores which is under consideration.

Notes to Financial Statements

Note 45: The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 46 : Previous year figures have been regrouped wherever considered necessary to make it comparable with current year.

Note 47 : The financial statements of the Company for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on June 30, 2022.

As per our Report of even date attached

For **Suresh Chandra & Associates**
Chartered Accountants
Firm's Registration Number: 001359N

Sd/-
Anjula Gupta
Partner
Membership Number 091514
UDIN: 22091514ALYYJJ3775

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

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: 30.06.2022

Notes

डेडीकेटेड फ्रेट कोरीडोर

डेडीकेटेड फ्रेट कोरीडोर

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