



Dedicated Freight Corridor

Dedicated Freight Corridor Corporation Of India Ltd.

A Government of India (Ministry of Railways) Enterprise

Annual Report

2017-18

Regd. Office: 5th Floor, Pragati Maidan, Metro Station Building Complex
New Delhi – 110001, Phone No. 91 - 11 – 23454890, Fax No. 91-11-23454701
Corporate Identity Number (CIN)-U60232DL2006GOI155068

GENERAL INFORMATION

REGISTERED OFFICE & CORPORATE OFFICE

5th Floor, Pragati Maidan Metro Station Building Complex
New Delhi-110001

STATUTORY AUDITOR

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

INTERNAL AUDITOR

M/s. Gianender & Associates
Plot No.-6, Site No.21
Geeta Mandir Marg
New Rajinder Nagar
Delhi-110060

BANKERS

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

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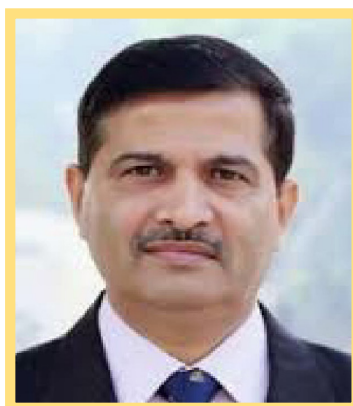
LIST OF DIRECTORS

(AS ON THE DATE OF AGM)

S.No.	Name of the Director	Designation	“Date of holding office w.e.f.”
1	Shri Ashwani Lohani	Part Time Chairman (Official)	30.08.2017
2	Shri Anurag Kumar Sachan	Managing Director	04.08.2018
3	Shri Anshuman Sharma	Director (Project Planning)	05.04.2011
4	Shri Naresh Salecha	Director (Finance), Additional Charge	01.03.2017
5	Shri Naveen Kumar Shukla	Director (Operations & Business Development) Addl. Charge	17.01.2018
6	Shri D. S. Rana	Director (Infrastructure)	27.10.2014
7	Shri Sushant Kumar Mishra	“Part time Official Director (Government Nominee-MoR)”	05.07.2017
8	Shri Yaduvendra Mathur	“Part-time Official Director (Government Nominee-NITI Aayog)”	08.06.2017
9	Shri Ravi Mathur	Independent Director	01.04.2016
10	Smt. Shakti Munshi	Independent Director	01.04.2016

LIST OF DIRECTORS

(AS ON THE DATE OF AGM)



Shri Ashwani Lohani
Chairman / Rly. Bd. & DFCCIL



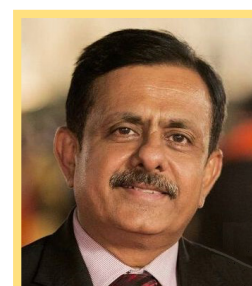
Shri Anurag Kumar Sachan
Managing Director



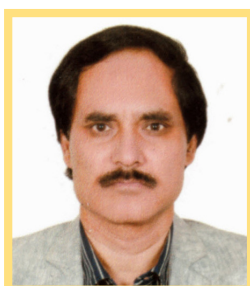
Shri Anshuman Sharma
Director (Project Planning)



Shri Naresh Salecha
Director (Finance),
Additional Charge



Shri Naveen Kumar Shukla
Director (Operations &
Business Development)
Addl. Charge



Shri D. S. Rana
Director (Infrastructure)



Shri Sushant Kumar Mishra
Part time Official Director
Government-
Nominee (MoR)



Shri Yaduvendra Mathur
Part-time Official Director
(Government Nominee-
NITI Aayog)



Shri Ravi Mathur
Independent Director



Smt. Shakti Munshi
Independent Director

CHAIRMAN'S MESSAGE

It gives me great pleasure to welcome you all to the 12th Annual General Meeting of the Company. The Directors Report and Audited Financial Statements of the Company for the year ending 31st March 2018 together with the Auditors Report already circulated, are taken as read.

I am happy to report that the company has achieved a remarkable acceleration in the pace of the implementation of the project during the year. Some of the notable achievements are:



- (i) On the auspicious occasion of the 72nd Independence Day on 15th August 2018, inaugural run of First Double Stack Container train on the newly built New Ateli to New Phulera section (190 Route Kilometers & 449 Track kms) of Western DFC was successfully conducted.
- (ii) Capital expenditure of ₹ 6703 Crores on contracts has been incurred during the year 2017-18.
- (iii) Track linking with the State of Art Mechanized track laying machine is in progress at 6 locations (Bhadan & Daudkhan in EDFC-1, Ramwa & Pahara in EDFC-2 and at Bhagega & Marwar in WDFC). Cumulative track linking of 1124 track km has been completed till 31.03.2018.
- (iv) All the Civil Contracts for both Eastern & Western Corridor have been awarded & works are in progress. Overall, Contracts worth ₹51,906 Crores (97% of the total contracts) have been awarded till date.
- (v) The progress of land acquisition as on 31.03.2018 was approximately 98% (except Sonnagar- Dankuni section) and 95% on overall basis. Total compensation amounting to ₹12,828 Crores has been issued.
- (vi) CRISIL, ICRA, India Ratings & Research & CARE have affirmed “AAA” ratings for DFCCIL.

The project is being closely monitored and the targets for phased opening of various sections and complete commissioning of the project by March 2020 have been set.

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

As a part of the Corporate Social Responsibility, Company is committed to play proactive role in improving the quality of life of the communities and stakeholders on a sustainable basis. Project “Saksham phase-III” undertaken in association with Confederation of Indian Industry (CII), has successfully imparted training to 797 BPLs families. Project “Jyoti” is being executed through Central Electronics Limited, a PSU under Ministry of Science & Technology of India, under which the LED based street lighting system has been specifically designed for better illumination. New-design LED luminaries provide the opportunity to use energy more efficiently and in a more environment-friendly way in lighting applications. The project will

be maintained for five years after commissioning.

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

Sd/-

Place : New Delhi

Date : 26.09.2018

Ashwani Lohani

Chairman

NOTICE

NOTICE is hereby given that 12th Annual General Meeting of the Members of Dedicated Freight Corridor Corporation of India Limited (CIN: U60232DL2006GOI155068) will be held on 26th day of September, 2018 at 12.00 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, 2018, together with the Report of the Directors' and Auditors' thereon and comments of the Comptroller and Auditor General of India thereon and pass, with or without modification(s), the following ordinary resolution:

“RESOLVED THAT the Financial Statements for the year ended on 31st March, 2018 comprising Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss for the year ended 31st March, 2018, Cash Flow Statement for the year ended 31st March, 2018 along with Notes thereto, and the Auditors' Reports thereon, as well as the Directors' Report along with its Integral Reports.

2. To take note of the appointment of the statutory Auditor of the Company by adopting the following resolution.

“RESOLVED THAT members be and hereby took note of the appointment of M/s. S. R. Dinodia and Co. LLP as Statutory Auditor of the Company for the financial year 2018-19, by the Comptroller and Auditor General of India, on a remuneration as may be decided, by the Board of Directors on the recommendations of the Audit Committee.

SPECIAL BUSINESS

3. **To consider appointment of Shri. Anurag Kumar Sachan as Managing Director of DFCCIL and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 152(2), 196 and other applicable provisions, if any, of the Companies Act 2013 read with the relevant Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment made by the President of India vide Railway Board's Order no. 2016/E(O)II/40/8 dated 03.08.2018 of Shri Anurag Kumar Sachan (DIN: 0008197908), CAO/USBRL Northern Railway as Managing Director, on the Board of DFCCIL on immediate absorption Basis for a period up to 31.07.2020 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 Naveen Kumar Shukla as Director (OP&BD), DFCCIL and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152(2), and other applicable provisions, if any, of the Companies Act 2013 read with the relevant Articles of Association of the Company, the consent of the Company be and to take note of additional charge of the post of Director (OP&BD), DFCCIL vide Railway Board’s Order no. 2011/E (O) II/40/34 dated 15.01.2018.

The Competent Authority has approved entrustment of additional charge of the post of Director (OP &BD), DFCCIL to Shri Naveen Kumar Shukla (DIN: 03012728), IRTS, PED/Mobility, Railway Board in addition to his own, w.e.f. 17.01.2018. (The date of assumption of additional charge of the post) or till 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.”

5. To take note of compliance of Guidelines on Capital Restructuring of Central Public Sector Enterprises.

In compliance of Railway Board’s letter No.2017/PL/61/06 dated 14.08.2018, read with clause 4.4 of the guidelines is as follows:

- a) Clause 5 (Payment of Dividend) & Clause 6 (Buyback of Shares): Exemption from this clause was sent to MOR vide letter No.04/HQ/Fin/Closing of Accounts/15-16/BK dated 27.07.2018. The same proposal has been communicated to the Secretary, Department of Investment and Public Asset Management via Railway letter No.2017/PL/61/06 dt.14.08.2018
- b) Clause 7 (Issue of Bonus Shares): The clause is not applicable to the company.
- c) Clause 8 (Splitting of Shares): The clause is not applicable to the company.

By Order of the Board

Sd/-

Meenu Kapoor
Company Secretary

Place: New Delhi
Date: 18.09.2018

Note:

- 1) The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 3 -5 of the Notice, are annexed hereto.
- 2) A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting.
- 3) The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

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

ITEM NO. 3

- 1) Section 152 (2) of the Companies Act, 2013 provides that “Save as otherwise expressly provided in this Act, every director shall be appointed by the company in general meeting. Accordingly, it is mandatory to take the appointments made by the President of India for consent of the Shareholders.
- 2) Article 81 of Articles of Association of the Company (Appointment of Chairman, Chairman-cum-Managing Director, Directors and their terms of Office) provides –Article 81-

(1) The President shall have powers to appoint:

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

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

- 3) Section 196 deals with Appointment and Remuneration of Managerial Personnel- According to section 196

(1) No company shall appoint or employ at the same time a managing director and a manager.

(2) No company shall appoint or re-appoint any person as its managing director, whole-time director or manager for a term exceeding five years at a time:

Provided that no re-appointment shall be made earlier than one year before the expiry of his term.

(3) No company shall appoint or continue the employment of any person as managing director, whole-time director or manager who —

(a) Is below the age of twenty-one years or has attained the age of seventy years:

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

- (b) is an undercharged insolvent or has at any time been adjudged as an insolvent;
- (c) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or
- (d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.

- 4) Subject to the provisions of section 197 and Schedule V, a managing director, whole-time director or manager shall be appointed and the terms and conditions of such appointment and remuneration

payable be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule:

Provided that a notice convening Board or general meeting for considering such appointment shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a director or directors in such appointments, if any:

Provided further that a return in the prescribed form shall be filed within sixty days of such appointment with the Registrar.

- 5) Subject to the provisions of this Act, where an appointment of a managing director, whole-time director or manager is not approved by the company at a general meeting, any act done by him before such approval shall not be deemed to be invalid.
- 6) In exercise on the powers conferred by clauses (a) and (b) of sub-section(1) of section 462 and in pursuance of sub-section (2) of said section of the Companies Act, 2013 (18 of 2013) and to supersession of notifications issued under section 620 of the Companies Act, 1956 (1 of 1956), except as respects things done or omitted to be done before such supersession, the Central Government in the interest of public hereby directs that certain provisions of the Companies Act, 2013, as specified in column (2) of the Table, shall not apply or shall apply with such exceptions, modification and adaptations as specified to column (3) of the Table, to a Government company. (Dated 05.06.2015) Accordingly, DFCCIL being a Government Company is exempted from the provisions of section 196 (2) (4) and 5 of the Act.
- 7) Railway Board's Order no. 2016/E (O) II/40/8 dated 03.08.2018 of Shri Anurag Kumar Sachan, CAO/USBRL Northern Railway as Managing Director on the Board of DFCCIL on immediate absorption basis for a period up to 31.07.2020 or until further orders whichever is earlier.
- 8) In terms of section 152(2), it is mandatory to take the appointments made by the President of India for consent of the Shareholders.

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

In exercise on the powers conferred by clause(a) and (b) of sub-section(1) of section 462 and in pursuance of sub-section (2) of the said section of the Companies Act 2013 (18 of 2013) and to suppression of notifications issued under section 620 of the Companies Act,1956 (1 of 1956),except as respects things done or omitted to be done before such supersession, the Central Government in the interest of public hereby directs that certain provisions of the Companies Act,2013,as specified to column(3) of the Table, to a Government Company.(Dated 05.06.2015)

Accordingly, DFCCIL being a Government Company is exempted from the provisions of section 196 (2),(4),(5) of the Act.

ITEM NO. 4

- 1) Section 152 (2) of the Companies Act, 2013 provides that "Save as otherwise expressly provided in this

Act, every director shall be appointed by the company in general meeting. Accordingly, it is mandatory to take the appointments made by the President of India for consent of the Shareholders.

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

(1) The President shall have powers to appoint:

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

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

3) Railway Board's Order no. 2011/E(O)II/40/34 dated 15.01.2018, the Competent Authority has approved entrustment of additional charge of the post of Director (OP& BD), DFCCIL to Shri Naveen Kumar Shukla, IRTS, PED/Mobility, Railway Board, in addition to his own, w.e.f. the date of assumption of additional charge of the post i.e. 17.01.2018 or till further orders.

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

ITEM NO. 5

1. The Director, Ministry of Heavy Industries & Public Enterprises, Department of Public Enterprise vide OM no.F.No.P/14 (0005)/2016 dated 20.06.2016 circulated guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs)
2. Clause 4.4 of the above guidelines states that CPSEs shall ensure compliance of these guidelines by taking up this matter as an agenda item along with a compliance note in the Board meeting of the company convened for finalization and approval of its annual account. Requisite approval of shareholders/members shall be obtained in the AGM/EGM to be held immediately thereafter.
3. It has further been clarified vide O.M.F.No.05/02/2016 Policy dated 21.11.2016 that after obtaining necessary approval as per clause 4.4 above in AGM/EGM on the compliance of these guidelines, the decisions so arrived, shall be communicated by CPSEs to the to the Financial Advisor and Secretary of the concerned Administrative Ministry/Department immediately thereafter.
4. The said guidelines were put up to the Board at 65th Board Meeting held on 13.08.2018 vide item No. 65.3.11. After discussion, the Board resolved to approach Department of Investment & Public Asset Management (DIPAM) through MoR for seeking exemption from the guidelines relating to the payment of Dividend.
5. Railway Board vide letter No.2017/PL/61/06 dt.14.08.2018 has sent the proposal for exemption to the Secretary, Department of Investment and Public Asset Management.

PROXY FORM

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

CIN:

Name of the Member(s): _____

Registered Address: _____

E-mail ID: _____

Folio No./ Client ID: _____

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

1. Name: _____
E-mail Id: _____
Address: _____
Signature: _____ or failing him
2. Name: _____
E-mail Id: _____
Address: _____
Signature: _____ or failing him
3. Name: _____
E-mail Id: _____
Address: _____
Signature: _____

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

Resolution No.

- 1.
- 2.
- 3.

Signed: this _____ day of _____

Signature of shareholders: _____

Signature of the Proxy holder(s): _____

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



**DEDICATED FREIGHT CORRIDOR CORPORATION
OF INDIA LIMITED**

Registered & Corporate Office: 5th Floor, Pragati Maidan, Metro Station Building Complex,
New Delhi-110001.

(CIN : U60232DL2006GOI155068)

Attendance Slip

Registered Folio : _____

Name : _____

Address : _____

I/ we hereby record my/our presence at the 12th Annual General meeting of the Company at Committee Room, 2nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001 on 26th day of September, 2018 at 12:00 Hrs.

Signature of the Shareholder/ Proxy Present: _____

DIRECTORS' REPORT

Ladies /Gentlemen,

Your Directors have pleasure in presenting the Twelfth Annual Report of the Company along with the Financial Statements for the year ended 31st March 2018.

DFCCIL has done exceedingly well during the financial year 2017-2018 in all domains ranging from physical execution of works in both Eastern and Western corridor, incurring of highest Capital Expenditure so far as well as Award of Balance Contracts. Some of the major highlights are:

1. Highlights

- 1.1. As on date of the report- On the auspicious occasion of the 72nd Independence day on 15th August 2018, inaugural run of First Double stack container train on the newly built 190 Route Kilometers (449 Track kms) section of New Ateli to New Phulera was successfully conducted.

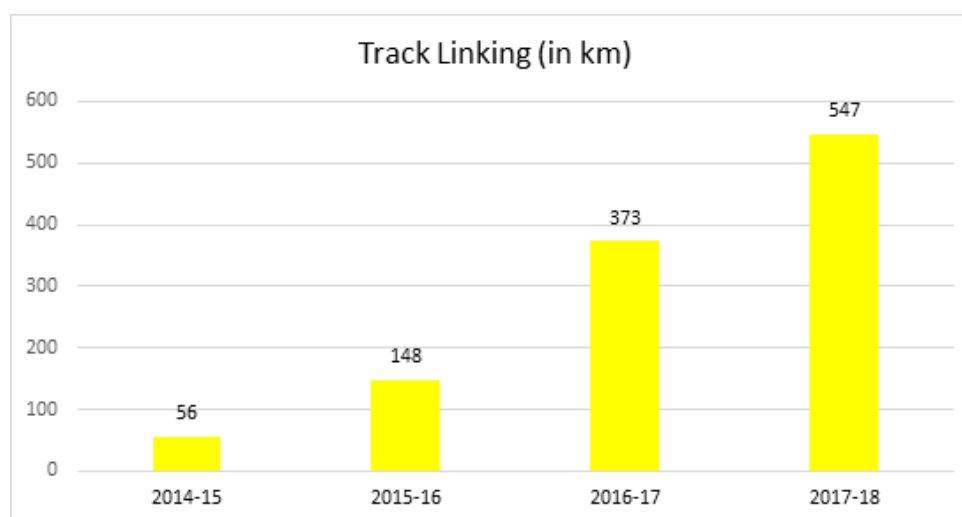


Trial run of double stack container train on 15th August, 2018

This forms part of the phase I stretch of Western Corridor of DFCCIL. The section is provided with 6 newly built freight stations consisting of four crossing stations (Dabla, Bhagega, Sri Madhopur and Pachar Malikpur) and two Junction stations (Ateli and Phulera). This section has 10 major bridges and 127 minor bridges, One Rail Fly Over (RFO) and 118 Road Under Bridges (RUB). This stretch is located in Mahendragarh district of Haryana and Jaipur district of Rajasthan.

During Financial Year 2017-2018

- 1.2. Track linking with Mechanized track laying machine is in progress at 6 locations (Bhadan & Daudkhan in EDFC-1, Ramwa & Pahara in EDFC-2 and at Bhagega & Marwar in WDFC). Track linking of 547 km has been done in current financial year taking the cumulative track linking to 1124 km.



- a) OHE Wiring with mechanized wiring train & OHE mast foundation using mechanized auguring mechanism started for the first time in India.



EDFC – Mechanized wiring through wiring train in progress



WDFC – Cylindrical Foundation Auguring in progress

- b) Sone Bridge between Dehri-on-Sone & Sonnagar in EDFC, the largest bridge (3060 mtr) on DFCC system completed in November, 2017.**



EDFC- Longest Bridge in DFC on River Sone (3.06 km)

- 1.3. Due to constant persuasion with State Governments, they have agreed to share cost of ROBs on 50:50 basis. This has resulted in consent for 121 ROBs from 9 different states, leading to savings of Rs. 2400 crores to Ministry of Railways.
- 1.4. Year 2017-18 saw major progress in the award of Civil, Electrical, S&T and other contracts in DFCCIL. With the award of civil contract for Khurja-Pilkhani section (EDFC-3), all civil contracts for Eastern & Western DFC have been awarded. The cumulative value of contracts awarded is Rs. 51,906 crores which is 97% of the total contracts to be awarded. As a result, Civil contracts for 2822 kms (100%), Electrical

contracts for 2315 kms (82%) and S&T contracts for 2315 kms (82%) length have been finalized.

- 1.5. There has been tremendous improvement in the cooperation by State Government. A number of hurdles/ impediments have been removed and considerable progress in the land acquisition could be achieved as under:
 - A. Notifications under section 20E for 83 Ha were issued during the year. 20 E for entire WDFC had already been completed. With this, notification for 4511 Ha (98%) have been completed for the entire EDFC except for Sonnagar – Dankuni section. In Sonnagar-Dankuni section, notification under Section 20E for 833 Ha (79%) has been issued upto 31.03.2018.
 - B. During the year, award u/s 20F of RAA-2008 has been declared for 381 hectare. With this, a total award for 11131 hectares of land (WDFC: 5939 ha out of 6000 ha and EDFC: 5192 ha out of 5664 ha) with compensation amounting to Rs. 12828 Crs. (WDFC: 5890 Cr., EDFC: 6938 Cr.) has been issued. Progress of land acquisition is approximately 98.2% excluding Sonnagar-Dankuni section and above 95.4% on overall basis.
 - C. Disbursement of Rs. 2556 Crs, mutation of 1067 Ha, Resumption of 263 Ha & physical possession of 2242 Ha has been taken during the current year. This has become possible because of good coordination and cooperation from all concerned.
 - D. 2047 Arbitration cases & 495 Court cases pertaining to land were disposed of during the year taking the cumulative figure of disposal to 8602 Arbitration cases & 1456 Court cases till date.
- 1.6. CRISIL has reaffirmed the “CCR AAA rating to DFCCIL. ICRA, a unit of Moody’s has also reaffirmed [ICRA]AAA rating for DFCCIL. India Ratings & Research, A Fitch Group Company has affirmed Long term issuer rating at IND AAA to DFCCIL. CARE, has affirmed CARE AAA rating for DFCCIL.
- 1.7. Pilkhani-Sahnewal section (CP-301) has been awarded 10th CIDC Vishwakarma Award for Safety & Environment during the year.
- 1.8. Wild Life Clearance proposal of “Gautam Budha Wildlife Sanctuary” (63.85 ha) for Gaya district (Bihar) approved by National Board for Wildlife/MOEF, New Delhi on 04.01.2018.

2. Financial Statements

- 2.1 Financial Statements for financial year 2017-18 have been prepared in accordance with the Schedule III of the Companies Act, 2013 and are in compliance of Ind AS notified under Companies Act, 2013. The Corporation has incurred the following expenditure during the year 2017-18:

A) Capital Expenditure on Project Execution

(In Crores)

Description	As at 31.03.2017	During Financial Year 2017-18	As at 31.03.2018
CAPEX (Without cost of land)			
Tangible assets	14.53	-0.84	13.69

Description	As at 31.03.2017	During Financial Year 2017-18	As at 31.03.2018
Capital work in Progress	8,861.64	5895.45	14757.09
Other Intangible assets	0.73	-0.46	0.27
Intangible Assets under development	11.31	0.00	11.31
Capital Advances	6754.40	808.93	7563.33
Total Capex (Without cost of land)	15,642.61*	6703.08	22,345.69
COST OF LAND (Borne by MOR)	15,884.42	0.00	15,884.42
Total Capex with cost of land	31,527.03	6703.08	38,230.11

*After adjustment of IND AS effect in financial statements of 2016-17

B) Development Account

During the year the balance of Development Account Rs. 647.07 Crores has been transferred to Capital work in progress.

(In Crores)

Particulars	For year ended 31.03.2018	For year ended 31.03.2017
Employee benefit expenses	117.71	117.75
Finance cost (Including Interest)	437.82	170.02
Depreciation & amortization expenses	2.09	2.29
Administration & Other expenses	57.64	54.42
Sub-Total	615.26	344.48
Less : Other Income	-31.81	17.63
Total Transferred to CWIP	647.07	326.85

C) Dividend

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

D) Amount proposed for transfer to reserve: Rs. 17.79 crores

2.2 Source of Fund: Capital Structure

As on 31st March 2018, the Authorized Share Capital of Company stands at Rs.22000,00,00,000 (Rupees Twenty Two Thousand Crores) divided into 22,00,00,000 (Twenty Two Crores) Equity shares of Rs. 1,000/- each against which paid up share capital is Rs. 7658.27 Crores. There has been no change in Paid up Capital of the Company during 2017-18. Company has closing balance of Rs.3110.45 Crore of Share Application Money pending allotment received from MoR as on 31st March 2018. Share allotment against this share application amount has been made in 64th meeting of BOD held on 24.05.2018.

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

(In Crores)

PARTICULARS	As at 31 st March 2018	As at 31 st March 2017
EQUITY FUNDING		
Shareholder's Fund	7658.27	7,658.27
Other Equity	3362.59	234.35
Sub Total	11020.86	7892.62
DEBT FUNDING		
JICA	6606.33	4,585.11
IBRD	3473.70	2,360.35
Subtotal	10080.03	6945.46
Grand Total	21100.89	14,838.08

2.2.1 Debt Funding

- (i) **Western Dedicated Freight Corridor - Phase I (Vadodara – Rewari) 947 km & Phase II (Vadodara – JNPT and Rewari - Dadri) 557 km (JICA) – Consultancy.**

The Loan Agreement ID-P205 for Engineering Services Consultancy (Phase-I) for 2.606 Billion Japanese Yen for Vadodara – Rewari section of 947 km was signed with JICA and funds to the tune of JPY 2.086 Billion till closer of the Loan i.e. on 23.02.2017.

Another loan Agreement ID-P212 for Engineering Services Consultancy (Phase II) (Vadodara - JNPT and Rewari-Dadri) – 557 km for 1.616 Billion Japanese Yen was signed with JICA and JPY 1.224 Billion till closer of the Loan i.e. on 15.11.2017 .

- ii) **Western Dedicated Freight Corridor - Phase I (Vadodara – Rewari) 947 km (JICA) - Construction**

The Loan Agreement ID-P209, first tranche for construction in the Phase I, for 90.262 billion Japanese Yen was signed with JICA and JPY 80.269 billion have been utilized in this loan up to 31.03.2018.

The loan agreement ID-P253, second tranche for 103.664 billion Japanese Yen was signed with JICA on 31-3-2016 and JPY 7.176 billion have been utilized in this loan up to 31.03.2018.

- iii) **The Loan Agreement for WDFC Phase-II (Main Loan)**

The Loan Agreement ID-P229, first tranche for construction in the Phase II, for 136.119 Billion Japanese Yen was signed with JICA and JPY 20.871 billion have been utilized in this loan up to 31.03.2018

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

World Bank has sanctioned 2.36 Billion USD loan for Eastern Dedicated Freight Corridor from Mughalsarai – Ludhiana and Khurja – Dadri Section.

- Loan No. 8066 IN for US\$ 975 million was sanctioned by World Bank for EDFC -I from Khurja – Bhaupur (343km) and Loan Agreement was signed on 27.10.2011 which has been reduced to USD

800 Million w.e.f. 29.06.2017. USD 314.19 Million has been utilized in this loan up to 31.03.2018.

- Loan No. 8318 –IN for US\$ 1100 Million was sanctioned by the World Bank for EDFC Project– 2 from Bhaupur – Mughalsarai. Loan agreement was signed on 11.12.2014 which has been reduced to USD 910 Million w.e.f. 30.06.2017. USD 183.95 Million has been utilized in this loan up to 31.03.2018.
- Loan No. 8513 –IN for US\$ 650 Million was sanctioned by the World Bank for EDFC Project – 3 from Khurja-Ludhiana. Loan agreement was signed on 21.10.2016. USD 38.17 Million has been utilized in this loan up to 31.03.2018.
- Khurja- Dadri Section has been added in EDFC-1 through re-structuring of loan.

3. State of Company Affairs

3.1 Contracts;

A. Contract awarded during the financial year 2017-18:

Eastern Corridor

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Amount of Award	Funded By
1	Project Management Consultancy Services for Khurja - Pilkhani Section (Approx. 222 Route Kms) of Eastern Dedicated Freight corridor Project-3	Consultancy	20.02.2018	EURO: 23,92,390 and INR 49,07,66,000/-	World Bank
2	CP-303 (Khurja-Pilkhani 222 km) Design and Construction of civil, Structures and Track Works, for Single Line Railway	Work	15.03.2018	INR 28,63,81,13,280/-	World Bank
3	Consultancy Services for Social & Environmental Safeguard Monitoring and Review Consultant (SESMRC) for EDFC-3 project: Sahnewal-Pilkhani section, 175 Kms, Khurja-Dadri section, 46 Kms and Pilkhani-Khurja section, 221 Kms and Balance 3 QPRs of EDFC1 project: Khurja-Bhaupur section, 343 Kms.	Consultancy	28.03.2018	INR 3,31,98,000/-	World Bank
4	Engagement of Independent Safety Assessment Consultant for Eastern Dedicated Freight Corridor-2	Consultancy	23.03.2018	Euro 149,859	World Bank
5	Project Management Consultancy for Design, Supply and Construction of Track, Signaling and Track Works, Traction Power Supply, SCADA, OHE etc for double track from Mughalsarai – New Sonnagar/Chirailapathu (excluding Karwandia – Durgawati section) of EDFC	Consultancy	25.01.2018	INR 12.33 Crs.	Railway

B. Contract likely to be awarded in the current financial year 2018-19:

S.N.	Nature of Work	Work/ Consultancy	Funded By
Eastern Corridor			
1	CP-105 (Khurja-Dadri section.)System Works	Work	World Bank
2	CP-304 (Pilkhani-Sahnewal section) System Works	Work	World Bank
3	CP-305 (Khurja-Pilkhani section) System Works	Work	World Bank
4	Balance Work of GC for Khurja-Sahnewal and Khurja- Dadri Section	Consultancy	Railway
5	System works from Mughalsarai to New Sonnagar and Chirailapathu (excluding New Karwandiya – New Durgawati Section)	Work	Railway

C. Physical & Financial Progress of the Contracts:

Major Highlights during the year for each contract.

Western Corridor

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Date of Commencement	Financial Progress	Physical Progress
A.	Civil & Track work package					
1.	CTP-1&2: Design & Construction of Civil, Building Track Works for double line railway (Rewari-Iqbalgarh Section – 625 Km)	Work	07.06.2013	30.08.2013	57.00%	70.06%
2.	CTP-3(R): Design & Construction of Civil, Building Track Works for double line Railway. Excluding Bridge across rivers Mahi & Sabarmati. (Iqbalgarh–Makarpura, Vadodara Section – 289 Km)	Work	25.02.2016	06.06.2016	15.07%	22.77%

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Date of Commencement	Financial Progress	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	22.05.2015	15.10.2015	10.22%	13.37%
4.	CTP-12: Design & Construction of Civil, Building Track Works for double line railway.....excluding 50 bridges already under execution and 02 bridges on Damanganga & Par. (Sachin-Vaitarana Section - 186 Km)	Work	22.02.2015	15.10.2015	5.65%	9.14%
5.	CTP-11: Design & Construction of Civil, Building Track Works for double line railway. (Vaitarna-JNPT Section - 102 Km)	Work	15.07.2016	07.03.2017	5.05%	7.00%
B.	Special Steel Bridge package					
1.	CTP-3A(R): Design & Construction of Special Steel Bridges across Mahi & Sabarmati Rivers. (Ikbalgarh-Vadodara Section)	Work	26.08.2014	20.11.2014	33.08%	39.09%

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Date of Commencement	Financial Progress	Physical Progress
2.	CTP-15A: Design & Construction of 08 Special Steel Bridges over Water Main and Railways and across Creek and Rivers including Ulhas, Damanganga, Par and Tapi. (JNPT-Makarpura Section)	Work	03.06.2015	15.10.2015	13.31%	19.17%
3.	CTP-15B: Design & Construction of Special Steel Bridge across Narmada River with RUB. (Sachin-Vadodara Section)	Work	03.06.2015	15.10.2015	19.39%	29.01%
4.	CTP-15C: Design & Construction of 03 Special Steel Bridges over existing Railways and across Rivers Yamuna & Hindon. (Dadri-Rewari Section)	Work	03.06.2015	15.10.2015	25.82%	35.94%
5.	54 Bridges package:	Work	16.02.2009	16.02.2009	67.89%	76.46%
C.	Integrated package					
1.	CTP-14: Integrated Package of Civil, Building & Track Work, E&M and S&T Works. (Dadri-Rewari Section – 127 Km)	Work	14.10.2016	01.02.2017	12.20%	14.27%
D.	Electrical package					
1.	EMP-4: Design, Supply, Installation, Testing and Commissioning of 2x25kV Traction	Work	18.11.2014	15.05.2015	28.40%	34.39%

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Date of Commencement	Financial Progress	Physical Progress
	Power Supply System, Traction Sub-Station, Auxiliary Stations, Switching Stations, Auto Transformer Stations and SCADA system. (Rewari-Makarpura Vadodara Section – 914 Km)					
2.	EMP-16: Design, Supply, Installation, Testing and Commissioning of 2x25kV Traction Power Supply System, Traction Sub-Station, Auxiliary Stations, Switching Stations, Auto Transformer Stations and SCADA system. (Vadodara-JNPT Section – 419 Km)	Work	21.01.2016	02.05.2016	10.87%	11.89%
E.	S&T package					
1.	STP-5: Design & Construction of Signal & Telecom Works for double line railway. (Rewari-Makarpura Vadodara Section – 914 Km)	Work	22.06.2015	11.01.2016	12.93%	15.81%
2.	STP-5A: Design & Construction of Train Protection & Warning System (TPWS).(Rewari-JNPT Section – 1333 Km) i.e. for Phase-I & Phase-II	Work	12.08.2015	01.06.2016	7.36%	9.24%

S. No.	Nature of Work	Work/ Consultancy	Date of Award	Date of Commencement	Financial Progress	Physical Progress
3.	STP-17: Design & Construction of Signal & Telecom Works for double line railway. (Vadodara-JNPT Section – 419 Km)	Work	13.05.2016	29.08.2016	10.83%	14.09%
F.	Project Consultancy Contract					
1.	PMC-1: PMC Services for Construction of Double line Electrified Railway Track with S&T and related Infrastructure. Phase-I, Rewari-Vadodara Section	Consultancy	21.02.2014	11.04.2014	46.19%	47.52%
2.	PMC-2(R): PMC Services for Construction of Double line Electrified Railway Track with S&T and related Infrastructure .Phase-II (Dadri-Rewari& Vadodara-JNPT Section)	Consultancy	15.02.2016	31.03.2016	13.58%	18.41%

Eastern Corridor

S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress	Physical Progress
1	CP-101 – EDFC-1 Bhaupur-Khurja section from 1040 (Bhaupur Village) to 1170 (Bhatura Village) for 135 kms. Design and Construction of Civil, Structures and Track works for Double line Railway.	Work	14.03.2013	57.74%	81.07%
2	CP-102 EDFC-1 – Bhaupur-Khurja section from 1170 (Bhatura Village) to 1266 (Birauni Village) for 102kms. Design and Construction of Civil, Structures and Track works for Double line Railway.	Work	14.03.2013	84.61%	88.25%

S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress	Physical Progress
3	CP-103-EDFC-1 – Bhaupur-Khurja section from 1266 (Birauni Village) to 1368 (Khurja) for 106 kms.Design and Construction of Civil, Structures and Track works for Double line Railway.	Work	14.03.2013	71.48%	84.91%
4	CP-201-EDFC-2 - Mughalsarai-Karchanasection. Design And Construction of Civil, Structures And Track Works For Double Line Railway.	Work	12.05.2015	34.68%	35.00%
5	CP-202-EDFC-2-Karchana-New Bhaupur Section. Design and Construction of Civil, Structure and Track Railway.	Work	12.05.2015	32.13%	34.60%
6	CP-104-EDFC-1 - Bhaupur- Khurja Section. Design, Construction,Supply, Installation, Testing and Commissioning of 2x25kV AC 50 Hz electrification.	Work	03.8.2015	31.50%	33.00%
7	CP-301-EDFC-3 - Sahnewal-Pilkhani (175 km of single line). Design and Construction of Civil, Structures and Track Works for Railway.	Work	14.07.2016	18.00%	15.00%
8	CP-302-EDFC-1 - Dadri-Khurja (46 km of double line). Design and Construction of Civil, Structures and Track Works for Railway.	Work	14.07.2016	10.00%	13.51%
9	CP-204-EDFC-2 - Mughalsarai-New Bhaupur section. Design, Supply, Construction, Installation, Testing and Commissioning of 2x25KV, 50Hz, AC Traction.	Work	15.6.2016	7.84%	6.60%
10	CP-203-EDFC-2 - Mughalsarai-New Bhaupur section. Design, Supply, Construction, Testing and Commissioning of signaling, Telecommunication.	Work	23.06.2016	8.1%	14%
11	Design and construction of formation including blanketing, major Bridges, Minor Bridges, RUBs, ROBs, (Near New Ganj Khawaja) approx 101.089 Kms, on Mughalsarai-Sonnagar Section.	Work	17.03.2009	98%	99.50%

S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress	Physical Progress
12	Track Works for New Karwandiya - Durgawati Section.	Work	20.07.2012	98%	99.50%
13	Design and Construction of important Bridge across river Sone (approximate length 3.06 Kms and Dehri-on- Sone (Rly. Km. 554) railway Station on Mughalsarai-Sonnagar Section.	Work	24.10.2013	100%	100%
14	Design and Construction of Rail Flyover near Ganjkhawaja, Formation in Embankments/Cuttings including blanketing, Bridges, different stretches between Dehri-on-Sone & Mughalsarai.	Work	12.11.2013	51.35%	55%
15	Design and Construction of Formation in Embankments/Cuttings including blanketing, Viaducts, Rail Flyover, Bridges Dehri-on-Sone yard from Km. 3.16 to Km. 5.38.	Work	26.04.2016	28%	33%
16	Design, Supply and Construction of Track & Track related works including Testing & Commissioning... Mughalsarai to New Sonnagar and Chirailapathu (excluding New Karwandiya – New Durgauti Section).	Work	25.01.2017	8%	12.00%
17	System Works between New Karwandiya - Durgawati Section.	Work	08.05.2013	76.6%	80%
18	PROJECT MANAGEMENT CONSULTANCY for Design and Construction of Formation in Embankments/Cuttings including Garhwa and at Dehri-on-Sone yard from Km. 3.16 to Km. 5.38.	Consultancy	16.06.2016	35%	35%
19	General Consultancy services for Mughalsarai-Bhaupur (Ph-2), Khurja-Ludhiana (Ph-3) sections.	Consultancy	09.01.2013	86%	97%
20	Project Management Consultancy for Bhaupur-Khurja section of EDFC-1.	Consultancy	31.10.2013	85%	88%
21	QSAC Services Khurja- Bhaupur section of EDFC-1.	Consultancy	08.05.2014	90%	92%
22	Project Management Consultancy for Mughalsarai – New Bhaupur Section.	Consultancy	01.07.2015	58%	61%

S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress	Physical Progress
23	Quality and Safety Audit Consultancy for Mughalsarai – New Bhaupur Section.	Consultancy	01.12.2015	33%	36%
24	Project Management Consultancy Services for construction of single line electrified (2x25KV) Railway Track complete with signaling & Telecommunication system and related infrastructure for Sahnewal-Pilkhani Section.	Consultancy	10.10.2016	19.75%	29.41%
25	Quality and Safety Audit Consultancy Services for Sahnewal – Khurja Section with Khurja – Dadri Link of Eastern Dedicated Freight Corridor.	Consultancy	20.03.2017	0	26.67%
26	PMC for Design and Construction of Important Bridge across river Sone (approx. length 3.06.km), infrastructural works for double track electrified railway line.	Consultancy	02.01.2014	64%	66%
27	PMC for Design and construction of Track, signaling & Telecom works, New Karwandiya (Rly. Km 564) to Durgawati (Km 630) approx. 66 Kms on Mughalsarai-Sonnagar section.	Consultancy	08.03.2013	88.4%	88.4%
28	Project Management Consultancy Services for design and construction of formation including (Near New Ganj Khawaja) approx. 101.089 Kms, on Mughalsarai-Son nagar Section.	Consultancy	10.06.2009	91.8%	91.8%
29	Project Management Consultancy Services for Khurja - Pilkhani Section (Approx. 222 Route Kms) of Eastern Dedicated Freight corridor Project-3	Consultancy	20.02.2018	-	-
30	Design and Construction of civil, Structures and Track Works, involving Formation in Embankment/ Cuttings, Ballast on Formation, Track Works, Bridges, Structures, Buildings, yards & Integration with Indian Railway's	Work	15.03.2018	5%	1.67%

S. No.	Nature of Work	Work/ Consultancy	Date of Commencement	Financial Progress	Physical Progress
	Existing Railway system and Testing & Commissioning on Design-Build Lump-Sum Basis of Khurja - Pilkhani Section (approx. 222 route Km of Single Line) of Eastern Dedicated freight Corridor (Contract Package-303)				
31	Consultancy Services for Social & Environmental Safeguard Monitoring and Review Consultant (SESMRC) for EDFC-3 project: Sahnewal-Pilkhani section, 175 Kms, Khurja-Dadri section, 46 Kms and Pilkhani-Khurja section, 221 Kms and Balance 3 QPRs of EDFC1 project: Khurja-Bhaupur section, 343 Kms.	Consultancy	28.03.2018	-	-
32	Engagement of Independent Safety Assessment Consultant for Eastern Dedicated Freight Corridor-2	Consultancy	23.03.2018	-	-
33	Project Management Consultancy for Design, Supply and Construction of Track, Signaling and Track Works, Traction Power Supply, SCADA, OHE etc. for double track from Mughalsarai – New Sonnagar/ Chirailapathu (excluding Karwandiya – Durgawati section) of EDFC	Consultancy	25.01.2018	0%	8%

Glimpse of the project



TRACK WORK IN PROGRESS AT PAHARA



TONSE BRIDGE-427 AT KM 250+557



MUGHALSARAI QUARTER WORK IN PROGRESS



CONCRETING OF PIER CAP P13 COMPLETED



GROUND IMPROVEMENT WORK IN PROGRESS AT CH.-335+840 TO 336+000



LC-31 SEGMENT NO.6 CONCRETING WORK IN PROGRESS



BLANKET TOP-460+900 TO 460+960 GRADING IN PROGRESS

3.2 Operation & Business Development

- a. In order to gain global experience in maintenance, operation, safety and HRM four major studies as indicated below have been commissioned under World Bank Technical Assistance programme:-
- Heavy Haul Rail Capacity Development of India (HHRCDI)
 - Consultancy Services for Non-Discriminatory Access for DFCCIL (CSNDAD).
 - Consultancy Services for Development of Marketing and Commercial Strategies for DFCCIL and its catchment areas (DMCSD).
 - Consultancy Services for Institutional Strengthening Module of DFCCIL (ISMD).

Out of these four Studies, study at sub-para (i) and (ii) have been completed. The finding of these studies will be used for further system improvement in the Organization.

- b. Memorandum of Understanding (MoU) with DMICDC on 05.05.2017 for joint development of MMLP/MMLH along western corridor.
- c. Memorandum of Understanding (MoU) with DMIC Haryana Multi Modal Logistics Hub Project Limited (DMMLH) on 05.05.2017 for developing integrated Multi Modal Logistics Hub in Haryana and has been formed as a Joint Venture between DMIC Project Implementation Trust Fund and Government of Haryana represented by Haryana State Industrial and Infrastructure Development Corporation.
- d. MoU between DFCCIL and UP Government is entered on 21/02/2018 at Lucknow during UP Investors Summit 2018.

3.3 Progress/Status of Land Acquisition

- a) Land acquisition in DFCC project is governed by the Railways Act, 1989, as it has been notified as a Special Railway Project. The total land requirement for the corridors is 11,664 Ha. This includes 9573 Hectares of Private land and the remaining being Govt. Land.
- The Western DFC, land acquisition is spread over a length of 1505 Kms, and an area of about 6000 hectares.
 - The Eastern DFC, is spread over a length 1318 Kms with an area of about 4601 hectares (excluding Sonnagar-Dankuni which is spread in a route of 538 Kms with scope of 1063 hectares).
- b) As on 31.03.2018, land acquisition has been completed for approximately 98% of the total scope (except Sonnagar-Dankuni section) in EDFC and 95% on overall basis. For Sonnagar-Dankuni section, 20A for 1055 Hectares and 20F for 721 Hectares out of 1063 Hectares has also been notified. Total compensation amounting to Rs.12828 Crores (WDFC- Rs.5890 Crores, EDFC- Rs.6938 Crores) has been awarded.

3.4 Sonnagar-Dankuni PPP Project

It has been decided by the Ministry of Railway to construct Dedicated Freight Corridor section between SONNAGAR- DANKUNI (538 Km) through Public Private Partnership model in two phases

i.e., Dankuni- Gomoh section (282.22Kms) as Phase-I and Gomoh- Sonnagar section (260.74Kms) as Phase-II.

The status of the project is summarized as under:

- **Land Acquisition:**

Out of total requirement of 1063 Hectare, 20A for 1055 Hectare and award under section 20 F for 721 Ha has been completed upto 31.03.2018 with land compensation disbursement amounting to Rs.678Crores. For Phase-I, against total land acquisition requirement of 407.59Ha, Possession of 362.64 Ha of Land in Gomoh- Dankuni section has been done during 2017-18. For Phase-II, against total land acquisition requirement of 655.43Ha, 20A for 649.96Ha, 20F for 382.18Ha and Possession of 246.53Ha has been completed till March 2018. The land acquisition so far have been smooth except in some villages of Singur (Hoogly District), Shaktigarh, Mankar, Andal&Kulti (Bardhaman District), Dhanbad&Koderma District and some villages falling on Gaya Detour in Bihar where Project Affected People (PAP) are demanding additional compensation package for land acquisition as per New Land Acquisition Act.

Despite Maoist activities in Koderma Detour (57 Km), the stacking of the alignment on the ground has been finally completed. Also, the alignment in Koderma Detour is passing through Gautam Buddha Wild Life Sanctuary. Total forest land involved in Koderma Detour is about 393 Ha. Sanctuary portion involves about 145.385 Ha of land. Resumption of land of sanctuary needs approval of State Wildlife Board and National Wildlife Board.

- **Manual of Standards & Specification:** The Manual of Standards & Specification for Dankuni- Sonnagar PPP project has been finalized.

- **Detailed Project Report (DPR):**

The DPR of Dankuni- Gomoh section, Ph-I and Gomoh- Sonnagar section, Ph-II has been finalized.

- **Feasibility Report & Traffic Study Report:**

The “in-house” Feasibility report already prepared in 2014 and updation of the same is completed in 2017. The updation of Traffic Study Report has been completed.

- **Financial Consultant and Transaction Advisor:**

The consultancy work for Financial Consultant and Transaction Adviser for Dankuni- Gomoh Section (282.22Km) of Eastern DFC has been awarded to M/s RITES. Revenue Model submitted by the consultant is under consideration by DFCCIL. The Appraisal Report submitted by the Consultant is under review by DFCCIL.

- **Updation of Project Cost for Dankuni- Gomoh section, Ph-I:** Done by M/s RITES approved by MD/DFCCIL on 21.12.17 for Rs. 6593.78 Crs (Project Cost for Concessionaire (Excluding IDC & Financing Fee) @ 2022-23) and Rs. 7527.22 Crs (Project Cost for Concessionaire (Including IDC & Financing Fee) @ 2022-23).
- **Request For Qualification (RFQ) for Appointment of Concessionaire:** The draft RFQ for appointment of Concessionaire for Dankuni- Gomoh Section (282.22Km) has been customized based on Model

RFQ document of MOR and the same has been sent to Railway Board on 13.02.2018.

- Draft RFP document for Appointment of Concessionaire: The draft RFP for appointment of Concessionaire for Dankuni- Gomoh Section (282.22Km) has been customized based on the Model RFP document of Railway Board has been approved by MD on 26.03.2018.
- Draft Concession Agreement: For appointment of Concessionaire, Draft Concession Agreement has been customized based on model Agreement of Railway Board. The same is under vetting and approval.
- PPPAC format: PPPAC standard format has been prepared based on the updated Revenue Model report. The same will be forwarded to Finance Ministry through MOR after necessary vetting and approval.
- EIA/ SIA Report: EIA work has been completed by CPM/KKK and SIA work is recently awarded by CPM/KKK and is under progress.

4. Details of Directors and Key Managerial Personnel.

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

4.1.1 Directors who have joined the Board during the financial year 2017-2018;

- a) In terms of Railway Board's Order no. 2017/PL/61/4/Pt dt.08.06.2017, the President of India appointed, Sh. Sushant Kumar Mishra, Advisor/Infra as part time Government Director on the Board of Company with immediate effect till he holds the post of Adviser (Infra) or further orders whichever is earlier.
- b) In terms of Railway Board's Order no. 2017/PL/61/5 dt, 08.06.2017, the President of India has appointed, Sh. Yaduvendra Mathur, Additional Secretary NITI Aayog as part time Government Director on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect till holding of the post of Additional Secretary, NITI Aayog or further orders whichever is earlier.
- c) In terms of Railway Board's Order no. 2009/Infra/6/2 dated 30.08.2017, the President of India has appointed, Shri Ashwani Lohani, Chairman, Railway Board as part-time Chairman on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect vice Shri A.K.Mital, till he holds the post of Chairman, Railway Board or till further orders whichever is earlier.
- d) In terms of Railway Board's Order no. 2011/E(O)II/40/34, dated 15.01.2018, the Competent Authority has approved entrustment of additional charge of the post of Director (O&BD), DFCCIL to Shri Naveen Kumar Shukla, IRTS, PED/Mobility, Railway Board, in addition to his own, w.e.f. the date of assumption of additional charge of the post i.e. 17.01.2018 or till further orders.

4.1.2 Directors who cease to hold office during the financial year 2017-2018-

- a. In terms of Railway Board's order no. 2014/E(O)II/40/9 dated 14.06.2017, Sh. Adesh Sharma, Managing Director superannuated on 30.06.2017.
- b. In terms of Railway Board's order no. 2009/Infra/6/2 dated 30.08.2017 Shri A. K. Mital, Chairman,

Railway Board as part-time Chairman on the Board of the Company ceases to hold the office of the Part time Chairman w.e.f. 30.08.2017.

- c. In terms of Railway Board's order no. 2011/E(O)II/40/34, dated 15.01.2018, the Competent Authority has approved the relieving of Sh. H.D. Gujrati, Director (OP&BD), from the post w.e.f. 17.01.2018 AN so as to enable him to join the post of Director (O&C), KRC Ltd. on 18.01.2018.

4.1.3 Directors who have joined the Board after the close of financial year 2017-2018;

- a) In terms of Railway Board's order no. 2016/E(O)II/40/8 dated 03.08.2018 the Competent Authority has appointed, Shri Anurag Kumar Sachan, as Managing Director on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect vice Shri Anshuman Sharma, Dir/PP, upto 31.07.2020 or until further orders whichever is earlier.

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

S.No.	Name of the Director	Designation	Date of holding office w.e.f.
1.	Shri Ashwani Lohani	Part Time Chairman (Official)	30.08.2017
2.	Shri Anurag Kumar Sachan	Managing Director	04.08.2018
3.	Shri Anshuman Sharma	Managing Director (Additional Charge) Director (Project Planning)	01.07.2017 05.04.2011
4.	Shri Naresh Salecha	Director (Finance), Additional Charge	01.03.2017
5.	Shri Naveen Kumar Shukla	Director (Operations & Business Development), Additional Charge	17.01.2018
6.	Shri D. S Rana	Director (Infrastructure)	27.10.2014
7.	Shri Sushant Kumar Mishra	Part time Official Director (Government Nominee-MoR)	05.07.2017
8.	Shri Yaduvendra Mathur	Part-time Official Director (Government Nominee-NITI Aayog)	08.06.2017
9.	Shri Ravi Mathur	Independent Director	01.04.2016
10.	Smt. Shakti Munshi	Independent Director	01.04.2016

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

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

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

4.3 A Statement on declaration given by independent directors under section (6) of section 149.

Smt. Shakti Munshi and Sh. Ravi Mathur, Independent Directors, have submitted their declaration pursuant to sub-section (6) of section 149 of the Companies Act, 2013.

5. Auditors

The Comptroller and Auditor General (C&AG) of India had appointed M/s S.R. Dinodia & Co. LLP, Chartered Accountants as Statutory Auditor of the Company for the year 2017-2018 and in exercise of powers conferred by the shareholders, the Board of Directors have fixed their remuneration at a fee of Rs. 8,40,000/- (Eight Lac forty thousand only) plus GST as per applicable rate and out of pocket expenses to be paid extra.

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

5.1(a) Statutory Auditors' Report

The Auditors' Report dated 14th August 2018 submitted by M/s S.R. Dinodia & Co. LLP, Chartered Accountants doesn't contain any qualification and hence no explanation or comments are required.

5.1(b) Secretarial Auditor' Report

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

5.2 Comments of the Comptroller & Auditor General of India.

The Office the Comptroller & Auditor General of India has issued "NIL" comments on the accounts of the Company for the year ended 31st March, 2018 and hence no explanation or comments are required.

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

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

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

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

8. Contracts and Arrangements with related parties.

The Company is a Central Public Sector Undertaking (CPSU) controlled by Central Government through Ministry of Railways by holding majority of shares (refer Note 13). Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Ministry of Railways, various divisional / zonal railways under MOR, Ministry of Corporate Affairs, BSNL, IOCL, RailTel, NHAI, PGCIL, GAIL and CRWC.

(Rs. Crores)

Nature of Transaction	For the year ended	
	31 March 2018	31 March 2017
Government entities		
Ministry of Railways & its constituent		
Fund Received from MOR	2750.00	6,253.00
Expenditure for land acquisition	-	4,421.59
Recoverable for PETS survey from MOR	12.80	12.93
Recoverable from MOR towards land facilitation expenses	43.37	24.40
For shifting of utilities, capital advance, ROB Works and construction of Flats	497.97	2,621.35
Guarantee Fee	26.91	-
Advance received for ROB/RUB	5.00	259.38
Advance given for ROB/RUB	28.87	-
Rental Income form Railway Board	4.39	-
Ministry of Corporate Affairs		
Stamp duty expense	0.25	2.86
Other entities		
BSNL - For shifting of utilities & capital works	3.65	6.42
PGCIL - For shifting of utilities & capital works	19.06	11.63
RailTel corporation Ltd - For shifting of utilities & capital works	0.27	1.01
NHAI - For shifting of utilities & capital works	-	96.37
CRWC New Delhi - For shifting of utilities & capital works	8.12	-
RDSO/LKO – shifting of utilities & Capital Works	0.01	-
Total	3400.67	13,710.94

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

There are no Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate i.e. 31.03.2018 and the date of the report.

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

With the series of measures taken over past 2 to 3 years, Bureau of Energy Efficiency, Ministry of Power, Government of India has awarded BEE 5 STAR rating to DFCCIL Corporate Office Building in Nov. 2016. DFCCIL Corporate Office Building is among very few organizations in the country to have BEE 5 STAR rating label with Air-conditioning area of more than 90%.

A) Conservation of Energy

i. Steps taken or impact on conservation of energy:

- a) Energy Optimization Study has been conducted through use of Energy Efficient Train Performance Software to calculate optimal driving strategies for various train configurations & routes. Based on the routes & train configuration, Driver Advice System (DAS) shall be developed with the following features:
 - Accurate inputs regarding driving style provided in loco cab.
 - Real time in cab advisory systems that assist drivers to save energy & improve train operation.
 - Saving in energy consumption of 8-10% possible.
- b) Provision of Energy Efficient LED light fitting, replacement of CFL fitting with LED fitting, occupancy sensor & efficient monitoring & control mechanism for operation of Air-conditioning & lighting services has been made & implemented. New Air-conditioning system of 30 hp capacity working on inverter technology & environment friendly R-410 refrigerant has been provided.

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

To encourage green energy on DFCCIL network, solar plants have been planned for various installations along the corridor & its corporate building.

iii. Capital investment on energy conservation equipment.

Approx. Rs. 3.35 lac has been spent on energy conservation measures during 2017-18. All efforts are being made to further reduce carbon footprint on DFCCIL.

(B) Technology absorption –

In DFCCIL Project, formation and bridges have been designed for 32.5 Tonne Axle Load. Track Infrastructure is designed for 25 Tonne Axle load with Train Operation at 100 Kmph. To carry 25 Tonne Axle Load, wider wagon clearance of 3.66 mtr. is permitted.

1. Fully mechanized track lying.

Automated New Track Construction (NTC) machines from Marsco (USA) and Plassers (Austria) are used for track lying. NTC Machine gives high progress of track linking (upto 3 T-Km per day) with better track geometry as compared to manual lying.

2. High speed on loop lines.

Canted turnouts have been used to achieve speed potential of 50 Kmph in yards.

3. Distressing track by super pullers.

Super pullers attached to flash butt welding machines are used for distressing of track. Super puller can carry out distressing at any rail temperature (lower than distressing temperature) along with welding thus obviating the need to wait for attainment of particular temperature range for carrying out distressing.

4. Indigenization of high technology equipment's used for DFCCIL electric traction.

100 MVA, Scott Connected Power Transformers are being utilized in the Traction Sub-Stations of Western DFC for 2x25 kV power supply. Similarly, Auto Transformers of various ratings are also being used in sub-stations and other switching control posts. These equipment's have been designed, developed and manufactured under patented technologies, by M/s. Toshiba Corporation and M/s. Meidensha Corporation, both of Japan.

Under the 'Make-in-India' initiative facilitated through the respective contracts, the Scott Connected Power Transformer and Auto Transformer are now being manufactured in Toshiba and Meidensha factories in India, under the transfer of technology (ToT) arrangement from the original Japanese manufacturers. These have been types tested in Central Power Research Institute (CPRI), and have been supplied for the Western DFC Project.

5. Development of IR Design Cantilever for Western DFC.

On account of the designed higher current carrying and thermal capacities of Western DFC electric traction conductors, as well as for the typical high rise OHE (7.54 metre) in WDFC, the Cantilever structures of the overhead equipment necessitated suitable design, in order to withstand the specific structural loading parameters.

The Cantilevers for Western DFC has now been designed according to EN-50119 principles, with the help of 'STAAD Pro' structural design software package. The Cantilever prototypes have also been successfully type tested at Central Power Research Institute (CPRI) laboratory at Bangalore. Thus, an indigenous high capacity OHE Cantilever based on IR Cantilever Design profile has been developed, not only for use in WDFC, but also for any similar type of applications in the country.

6. Use of Buried Earth Conductor in Western DFC.

Traditionally, the traction return current from locomotive passes through rail, to the system earthing point of the nearest traction sub-station. A part of the return current also passes through the sub-soil metallic structures, affecting the safety as well as the life of such structures, apart from generating electromagnetic interference in nearby communication equipment.

In Western DFC, use of metallic Buried Earth conductor (BEC) has been provisioned to act as a linear earthing throughout the length of the track. The BEC is connected to the rails at approximately every 500 metre apart, thereby eliminating flow of return current through the rails. This technology will be further analyzed after is implementation for future improvements.

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

Foreign Exchange Earning	-	Nil
Foreign Exchange Outgo	-	Rs. 517.24 Crore out of which
Interest	-	Rs. 44.02 Crore
Tour & Travelling Expenses	-	Rs. 1.57 Crore
L.C Opening Charges	-	Rs. 0.64 Crore
Bank Charges JICA Loan	-	Rs. 0.63 Crore
Commitment fee for Loan	-	Rs. 9.33 Crore
Consultancy & Work	-	Rs. 461.05 Crore

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

The Company has developed the Enterprise Risk Management Framework which has been approved by the Audit Committee and also by the World Bank. The Enterprise Risk Management Framework has been implemented with effect from 1st December 2014. The Company Risk Management Policy establish documented Risk Management Framework and assign responsibilities to its employees to take corrective and preventive measures. The Risk Management Framework is being reviewed and upgraded periodically and also Company strive to increase awareness among its employees to implement the Risk Management Policy. The Top 20 risks each perceive at this stage during “Planning & Construction Phase” and “Operation Phase” have been identified and prioritized. A Risk Management structure has already been defined, which comprises of a Risk Management Committee (RMC) consisting of three members. A Chief Risk Management Coordinator (CRMCO) being the nodal point for coordinating and managing all the risk management activities reviewed and approved by RMC. The head of various department such as Civil, S&T, IT, Administration, Electrical, Operation, Finance etc. and CPMs act as Risk Mitigation Plan Owners (RMPOs) and would be responsible for risk identification, its prioritization and for framing the mitigation plan. In order to ensure that there are appropriate controls in place for the risk management activities, a risk monitoring and assurance mechanism through MIS has been provided for a part of Enterprise Risk Management Framework to assess the effectiveness of mitigation plan for a particular risk.

In the Risk Management Framework of the year, all RMPOs including Chief Project Manager of each Project reviewed the existing risk library to identify the risk description, probable root cause and reasons for inclusion/deletion etc. if any, along with taking steps for mitigation as far as possible.

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

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

13. Other Compliances

A. Rajbhasha (Official Language)

During the period of Financial Year 2017-18, special emphasis was given to ensure the maximum use of official language and 100% compliance of Official Language Policy in DFCCIL Corporate Office & Subordinate Project Offices and in this regard, various types of activities, encouraging the official language were organized.

- Quarterly meetings of the Official Language Implementation Committee were organized regularly in each quarter in DFCCIL Corporate Office. The quarterly progress reports related to the official language were ensured to be submitted to the Ministry of Railways, Railway Board and the Ministry of Home Affairs, Government of India from time to time. The participation of DFCCIL in the half yearly meetings conducted by the Town Official Language Implementation Committee (Undertakings) was ensured.
- In order to promote the use and propagation of the official language, a “Hindi fortnight” was organized in DFCCIL from 01.09.2017 to 14.09.2017. During the “Hindi fortnight event celebrations various competitions of Hindi were organized for staff of DFCCIL and those employees who stood at first, second and third positions were awarded by the Managing Director. A KaviSammelan was organized during the Hindi fortnight event and speeches & lectures were delivered on the importance of Hindi language.
- Two Hindi workshops were organized to impart training in Hindi to the officers / employees working in different departments of Corporate Office and Projects offices, in which about 67 staff / officers were trained. A day-long successful Hindi Workshop was also organized by the DFCCIL, Corporate Office, under the flagship of Town Official Language Implementation Committee, in which about 40 employees/officials of different PSUs participated.
- The task of making DFCCIL’s website bilingual (Hindi-English) is a continuous process, which has been updated from time to time, will be continued and completed shortly.
- Office orders of permanent nature, circulars, notices, notifications, advertisements, tender etc. are being released in bilingual form to comply 100% of Section 3(3) of the Official Language Act.
- Different incentive schemes of the Railway Board for the use and propagation of Hindi have also been implemented in DFCCIL and advantage of the same is being taken by the employees and officials of the DFCCIL Corporate Office and Subordinate Offices.
- The purchase of Hindi books in the Hindi library of DFCCIL, Corporate Office, is being ensured as per the allocated budget and maximum employee / officials are being benefitted.
- The Parliamentary Official Language Committee carried an inspection of our Corporate Office on compliance of Official Language on 27.01.2018.

Achievements:

- For successfully implementing the Official Language Policy in DFCCIL, Mr. Anil Kumar Singh, Chief Rajbhasha Officer / Group General Manager / Operations & Safety was honored by the Railway Ministry, Railway Board.

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

B. Right to Information Act, 2005:

The enactment of Right to Information Act, 2005 is a historic event in the annals of democracy in India. The Act mandates 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 obligation towards the citizens in providing information sought for by them. The Public Information officer in the corporate office coordinates with the APIOs in the field offices and in the corporate office for obtaining information in desired format and within stipulated time period so that the same is sent to the applicant in time. Under the mandatory requirements the duties and responsibilities of an Appellate Authority have been assigned to the Group General Manager (Administration).

During the year 2017-2018, total 404 applications (including 51 Appeal cases) were received and replied with in the stipulated time period. All the replies have also been uploaded on DFCCIL website (www.dfccil.gov.in). The status of RTI replies are updated regularly on DFCCIL website. Similarly, orders of the Chief Information Commission (CIC) have been complied with in twenty six (26) cases within the stipulated time period.

C. Parliament Questions:

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

An officer of Dy. General Manager level has been designated especially for dealing with all Parliamentary matters in coordination with other Departments in DFCCIL. During the year 2017-2018, total 23 Parliament Questions, 2 Parliament Assurances and 10 Parliament References were received which were replied within the stipulated time period.

D. MCA 21 E -filing

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

E. Memorandum of Understanding

During the period under review, the Company has been ranked under the “Very Good” grading of MoU for the year 2016-2017 by the Department of Public Enterprises.

F. Vigilance.

Oxford English dictionary defines Vigilance as keeping careful watch to avoid possible danger of difficulties. In the organization context Vigilance means keeping a watchful eye on the activities of the

personnel and taking prompt fair practices and ensure integrity and honesty in official transactions and behaviors. It is an important and integral part of Management and provides important platform for improving performance of the organization. It includes promoting clean business environment, professional integrity, promptness and ethical practices.

This year too the DFCCIL Vigilance gave more emphasis on preventive vigilance and system improvement as compared to punitive vigilance. In order to update the vigilance officials with latest instruction and guidelines on vigilance matters, Nine training programmes were arranged. To increase transparency, all the contracts and purchases made above Rs. one crore are posted on the DFCCIL website every month on the proforma stipulated by CVC. The Vigilance organization of DFCCIL is headed by a full time CVO assisted by Dy CVO, one DGM, three managers, two Assistant Manager & one executive against the total sanctioned post of 13.

- **Complaints**

DFCCIL has well defined complaint handling policy which is available on Vigilance portal of DFCCIL website. It contains detailed procedure for scope and lodging complaints. The opening balance for the number of complaints on 01.01.2017 was 08. Total 23 complaints were received through CVC/Railway Board and individuals during the year. Out of which 22 complaints were investigated and finalized. Remaining 09 complaints are at various stages of investigation.

- **Recommendations after investigation on complaints.**

In case involving irregularities in execution of a contract & other activities 05 major & 12 Minor penalty against two officers has been recommended.

Beside above, following recoveries has been suggested by Vigilance:

1. Rs. 1,00,000/- have been recovered as a result of quality check.
 2. Rs. 4,81,162 /- have been recovered as a result preventive check conducted on drawing DA on pension as well as Pay after opting Pay protection in DFCCIL.
 3. A recovery of Rs. 3,63,45,510/- for delay in work has been imposed as a result of check.
 4. A recovery has been suggested for Recovery of Rs. 16.18 crore from Irrigation Department of Rajasthan which was wrongly paid
 5. Management has been advised for recovery from agency in case of allotment of cabin & work station as per contract clause.
 6. Management has been advised for recovery from agency in case of construction of Bridge across Narmada River as per contract clause.
 7. Management has been advised for recovery from agency in case of tender of TATA-Aldesa Project for irregularities in work as per contract clause.
 8. Three cases have been sent to management for conducting audits & forensic audit.
- **Preventive checks:** A total of 30 Preventive checks were conducted during the year. Total 29 were finalized.

- **Surprise Checks:** A total of 04 Surprise checks were conducted during the year.
- **Immovable property returns scrutinized:** Immovable property returns (IPRs) submitted by 110 officials were scrutinized during the year.
- **System Improvements:** Based on the outcome, recommendations for system improvements were made in different spheres of working related to Tenders and contracts, land acquisition, payment of compensation for land acquisition & HR matters as under.
- **System Improvement suggested & undertaken:**
 - (i) DFCCIL officials certifying the IPC has to ensure that prescribed test checks on all items of the bill have already been conducted by DFCCIL official as well as by PMC and necessary copies of these test checks are attached with IPC.
 - (ii) RFIs should also be prepared for all quality tests being conducted in laboratory and these RFIs shall be attached with IPC
 - (iii) Daily diary should be maintained for day to day work executed by Executive, Sr. Executive, APM, Dy PM & PM level and they should submit the copy of daily diary with T.A. bill.
 - (iv) Dy.CPM/CPM should issue inspection note for their inspection & copy of inspection note should issue to field staff for compliance & information and should also advised to concerned Director.
- **System improvement suggested but not implemented.**
 - i. “Every officer, who will join DFCCIL on absorption basis has to give an undertaking regarding option for DA on pension from prior employment/DA on Salary from DFCCIL.”
 - ii. “System Improvement by issue of necessary Guidelines / circulars to ensure that Employees’ and Employer’s contribution shall be deposited within 15 days of the close of every month to EPFO in compliance of statutory provision of Rule 38 of The Employees’ Provident Fund Scheme, 1952 with provision to fix responsibility for appropriate action under D&AR in each case of default, in future.”
 - iii. “Public Grievance cell should not act as post office to communicate the report of concerned CPM on any complaint / Grievance. The report should be examined by Public Grievance cell including site verification and then final conclusion of Public Grievance cell should be communicated to the complainant. Policy may be framed and circulated by DFCCIL. Complaints received from PMO should be dealt expeditiously and in no case latter than three months. A Policy may be framed and circulated by DFCCIL.”
 - iv. HR should device suitable administrative procedure to ensure that the sanction of ex-India leave and approval of the competent authority for the foreign visits of the officials subjected to the condition that acceptance of foreign hospitality is undertaken only after obtaining the requisite permission under FCRA inform FC-2.
 - v. DFCCIL management may formulate necessary policy guidelines on foreign tours for attending tours/seminars/workshops etc by their officials through suitable modifications on the various instructions issued by GOI.

Awareness Building & Participative Vigilance.

In pursuance of directives issued by the Central Vigilance commission, Vigilance Awareness week was observed from 30th Oct to 4th Nov, 2017 in corporate office as well as in field offices. The Programme started with the Pledge ceremony On 30.10.2017. Different programmes were also conducted during this week such as Essay competition on theme of this year, "My Vision-Corruption Free India", presentation & discussion on shortcomings observed by Vigilance and debate on Vigilance matters, addressed by ShShailendra Singh, Chief Technical Examiner/CVC, Lecture on "Arbitration" by ShSurjenduSankar Das and unveiling of Hindi version of DFC Vigilance manual. Debates/Lectures/essay writing competition on the theme of the year was also conducted in school & colleges & winners were suitably awarded with cash award. E-Pledge was also taken by staff in corporate office as well as in field units.

14. Corporate Governance

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

- a) A Corporate Governance Report placed at **Annexure "B"** highlights the philosophy of the Company on the Corporate Governance, composition of Board of Directors as well as their attendance in various meetings, remuneration of directors etc. and other relevant disclosures. It is supplemented by the following compliance certificates.
 - i. Certification of financial Statements by Chief Executive Officer and Chief Financial Officer. **Annexure "B-1"**.
 - ii. A declaration signed by the Managing Director affirming the compliance with the code of conduct by the Board Members and Senior Management Personnel during 2017-2018 is placed at **Annexure "B-2"**.
 - iii. Certificate of compliance of Corporate Governance obtained from practicing Company Secretary is placed at **Annexure "B-3"**.
- b) A "Management Discussion and Analysis Report" is placed at **Annexure "C"**.
- c) A Secretarial Audit Report from a Company Secretary in Practice **Annexure "D"**.

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

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

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

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

17. Acknowledgement

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

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

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

For and on behalf of the Board

Sd/-

Naresh Salecha
Director Finance

Date: 18.09.2018
Place: New Delhi

Sd/-

Anurag Kumar Sachan
Managing Director

Annexure-A

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

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

Vision:

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

Mission:

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

Consequent upon introduction of the Companies Act, 2013, a new CSR Policy of DFCCIL was formulated which was approved by the BoD in its 47th Meeting held on 13.11.2014.

Based on the recommendations of 5th and 6th CSR Committee in meetings held on 17.04.2017 and 09.06.2017, Board of Directors (BOD) gave approval for CSR activities to be carried out during the year 2017-18 as per details mentioned below: -

S.No	CSR Activities Proposed	Proposed Expenditure*	CPM units proposed in EDFC	CPM units proposed in WDFC
(i)	Skill Development Training through CII , (to be rechristened as Project Saksham Phase –III)	Rs. 1 crore	Ambala, Meerut	Mumbai (South), Noida
(ii)	CSR Activities for IR -Solar Panel Arrangement at Railway Stations (to be named as Project “Jyoti”)	Rs. 50 lakhs	Kolkatta (Dhanbad Division)	Jaipur
(iii)	Solar Power Street Lightning Systems/ Solar Lanterns in village(s) (to be named as Project “Jyoti”) through CEL	Rs. 50 lakhs	Allahabad (East)	Ajmer
(iv)	Provision of Computers in schools/ Computer Literacy	Rs. 10 lakhs	Tundla	Ahmedabad
	Total expenditure earmarked (* Inclusive of all tax expenses)	Rs. 2.10 crores		

2. During the year, the Composition of the CSR Committee:

- (i) Shri Ravi Mathur, Independent Director -Chairman
- (ii) Shri H. D. Gujrati, Director/OP&BD/DFCCIL–Member
- (iii) Shri D. S. Rana, Director/Infra/DFCCIL– Member

The CSR Sub Committee was re constituted at 63rd BoD held on 01.02.2018. The Committee is as follows-

- (i) Shri Ravi Mathur, Independent Director -Chairman
- (ii) Shri Naveen Kumar Shukla, Director/OP&BD/DFCCIL–Member
- (iii) Shri D. S. Rana, Director/Infra/DFCCIL– Member

- 3. Average net profit of the company for last three financial years :Rs. 8325.63 lakhs
- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 166.51 lakhs
- 5. Details of CSR spent during the financial year.

Total amount to be spent for the financial year: Rs. 210 lakhs (inclusive of taxes)

- (a) Amount unspent, if any: Nil
- (b) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1) Local area or other or (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (in lakhs)	Amount spent on the projects or programs Sub-heads: (1) Director expenditure on projects or programs. (2) Overheads. (in lakhs)	Cumulative expenditure upto the reporting period (in lakhs)	Amount spent: Direct or through implementing agency
1	Skill Development Training through CII, (to be rechristened as Project "Saksham Phase –III")	Employment Enhancing Vocational Skills	950 candidates were trained at four CPM locations namely Ambala and Meerut in Eastern Corridor and Noida and Mumbai (South) in Western Corridor. Courses included Electrician, Data Entry Operator, Machinist, Beautician, Retail Store Operations, Tally.	Rs. 100 lakhs	Rs. 100 lakhs (inclusive of taxes)	Rs. 100 lakhs (inclusive of taxes)	Confederation of Indian Industry (CII)
2	CSR Activities for IR -Solar Panel Arrangement at Railway Stations (to be named as Project "Jyoti")		Kolkata (Dhanabad Division) , Jaipur	Rs. 50 lakhs	Rs. 45.78 lakhs	Rs. 45.78 lakhs	Directly through CPM units.

(1) S. No.	(2) CSR project or activity identified.	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other or (2) Specify the state and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise (in lakhs)	(6) Amount spent on the projects or programs Sub-heads: (1) Director expenditure on projects or programs. (2) Overheads. (in lakhs)	(7) Cumulative expenditure upto the reporting period (in lakhs)	(8) Amount spent: Direct or through implementing agency
3	Solar Power Street Lighting Systems/ Solar Lanterns in village(s) (to be named as Project "Jyoti") through CEL		Allahabad (East), Ajmer	Rs. 50 lakhs	Rs. 49.61 lakhs	Rs. 49.61 lakhs	Central Electronics Limited (CEL)
4	Provision of Computers in schools/ Computer Literacy		Tundla, Ahmedabad	Rs. 10 lakhs	Rs. 9.55 lakhs	Rs. 9.55 lakhs	Directly through CPM units
	TOTAL			Rs. 210 lakhs (inclusive of taxes)	Rs. 208.44 lakhs (inclusive of taxes)	Rs. 208.44 lakhs (inclusive of taxes)	

*Give details of implementing agency:

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report – Not applicable.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-

Anshuman Sharma
(Managing Director)

Sd/-

Ravi Mathur
(Chairman CSR Committee)

N.A

[Person specified under clause (d) of
sub-section (1) of section 380 of the
Act] (wherever applicable)

Date: 23.07.2018

CORPORATE SOCIAL RESPONSIBILITY

DFCCIL's CSR Vision

At DFCCIL, Corporate Social Responsibility is envisaged as a commitment to meet its social obligations by playing an active role to improve the quality of life of the communities and stakeholders on a sustainable basis, preferably in the project areas where it is operating. CSR activities would be executed in a time bound manner with full commitment and transparency.



DFCCIL's CSR Policy Statement

DFCCIL's Corporate Social Responsibility Policy is "To remain a responsible corporate entity mindful of its social responsibilities to all stakeholders including shareholder, employees, local community and society at large".

Allocation of Funds

As per the CSR policy, based on Companies Act and Government guidelines, funds for CSR activities are to be allotted to at least 2% of the average net profit of the Company, made during 3 immediately preceding financial years or MOU targets.

Average net profit of the company for last three financial years was Rs. 8325.63 lakhs. The prescribed CSR expenditure was (two per cent of the amount as in item 3 above) – Rs. 2% of average net profit of last three years is Rs. 166.51 lakhs.

CSR Initiatives of DFCCIL in 2017-18

Skill India Initiative -Project "Saksham"

Project "Saksham" is a unique project initiated by the DFCCIL in association with Confederation of Indian Industry (CII) which aims at providing training and capacity building/skills development leading to employment/self – employment to the disadvantaged potential candidates to enable them to earn livelihood for themselves and their family.

Project Goal

The employment linked skill based training program trains youth between 18 – 30 years of age from Below Poverty Line (BPL) and Project Affected Person (PAP) categories under short duration courses ranging from 200 to 250 hours including training on employability, social and soft skills.

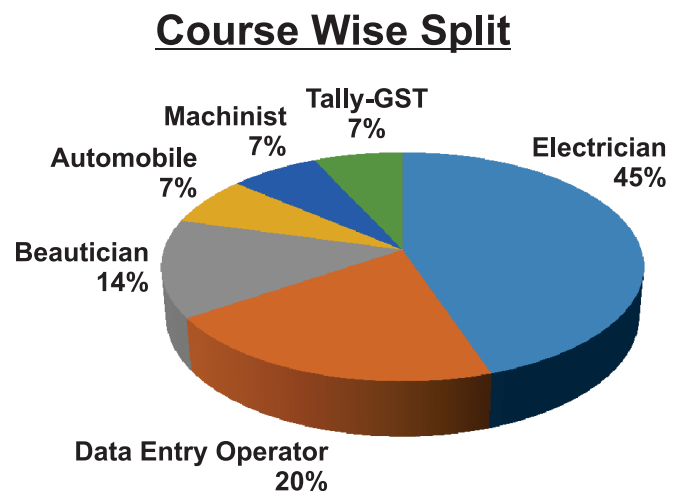
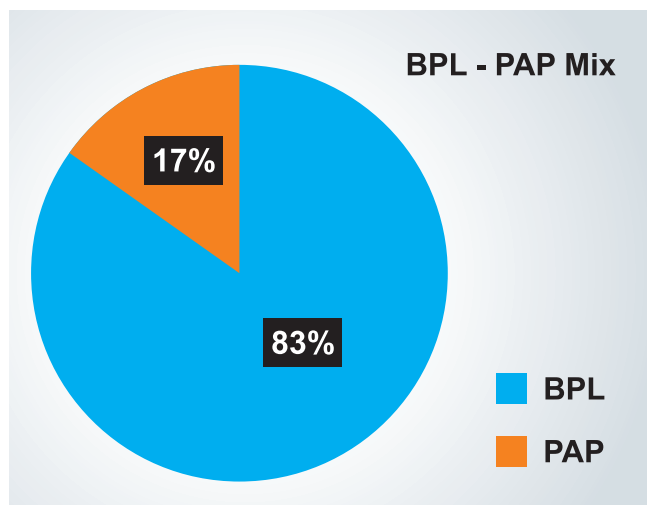
The training needs were assessed based on the market demand and potential market opportunities in the areas. Preference was given to PAPs/BPLs/School Drop outs, children without parents, women, SC/ST, minorities, PWD. Beneficiaries were taken on "one per family basis". Mobilization and sensitization through posters, banners and monitoring was done to ensure proper implementation of the project.

The skill training has been provided in various trades like Beautician, Retail, Tailoring, Electrician and Data Entry Operators. Some candidates were also placed from industrial trades like Refrigeration/AC repair, Fitter, Welder. Organizations like Blue Star, Whirlpool, Reliance, Café Coffee Day, Vishal, Havells, Hero Honda and Motherson have been the top recruiters.

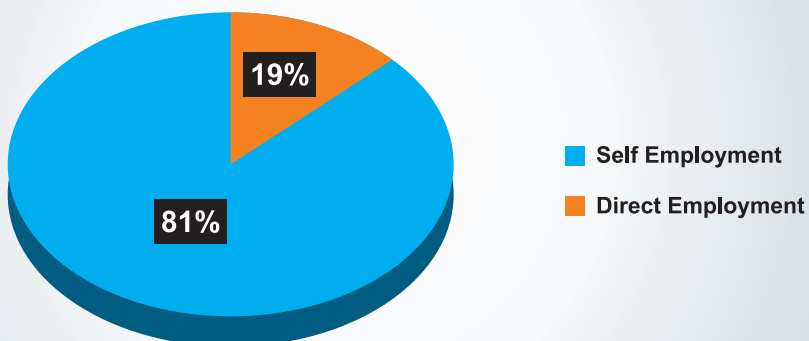
Apart from this, learners were also given career counselling on career progressions, further skilling, and re-skilling options. Feedbacks were taken from learners to also reinforce learning and motivation at the workplace. Monitoring teams at the local level also continuously visited the learners at the workplace.

Project Saksham Phase III – 2017-18

- 950 candidates were trained at four CPM locations namely Ambala and Meerut in Eastern Corridor and Noida and Mumbai (South) in Western Corridor.
- Courses included Electrician, Data Entry Operator, Machinist, Beautician, Retail Store Operations, Tally.
- Out of 950 candidates, 797 candidates (83%) were BPLs and 153 (17%) candidates belong to PAP families. 69% of the candidates who participated in the training were males and 31% females attended the training.
- 53071 man-days of training has been completed.
- 73% candidates have been placed.



Direct Employment v/s Self-Employment



Classroom Training



OJT atr Eureka Forbes Training Centre



Campus Placement Drive at NSIC Rajpura, Ambala



Campus interviews by Reliance

Media Coverage



Project “Jyoti”: - Solar Power Street Lighting Systems/ Solar Lanterns in villages

The project named as “Project Jyoti” has been executed through Central Electronic Limited (CEL), a Public Sector Enterprise under the Ministry of Science & Technology, Government of India. The LED based street lighting system has been specifically designed for better illumination. New designed LED luminaries provide the opportunity to use energy more efficiently and in a more environment friendly way in lighting applications. The project will be maintained till the expiry of 5 years from commissioning.



Supply, installing and commissioning of 200 SPV Street Lighting Systems in total 34 villages in Ajmer, Rajasthan (7 villages) and Allahabad East, Uttar Pradesh (27 villages) was accomplished under this project.

Project “Jyoti”: - Solar Panel Arrangement at Railway Stations - CSR Activities on Indian Railways

Kolkata (Dhanbad) in Eastern Corridor and Jaipur in Western Corridor have implemented the project of solar panel arrangement at Railway Stations.

Digital India Initiative: Computer Literacy

Computers have been provided in schools in Tundla in Eastern Corridor and Ahmedabad in Western Corridor. At Ahmedabad unit, 14 Computers with UPS have been provided in 5 schools in Navagam, Naika, Kandhli, Taraj, Vasana. At Tundla unit, 14 computers have been provided in four schools in Eatawah, Agra and Firozabad.

Annexure – “B”

CORPORATE GOVERNANCE REPORT

1. A brief statement on Company’s philosophy on Corporate Governance.

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

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

2. Board of Directors

2.1 Composition of the Board of Directors:

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

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

2.2 Strength of the Board

In terms of Article 81(1) of the Articles of Association of the Company, The President of India has the power to appoint Directors of the Company. On the date of the report, the total strength of the Board of Directors of the Company is ten comprising of three whole-time Directors, including one Managing Director, one part time Chairman, two Directors with additional charge, one part-time official Directors (nominee) from Ministry of Railways and One Nominee from NITI Aayog and two Independent Directors. Out of four sanctioned position of Independent Directors, two posts are still vacant.

2.2.1 Directors who have joined the Board during the financial year 2017-2018;

- a) In terms of Railway Board’s Order no. 2017/PL/61/5/Pt dt. 08.06.2017, the President of India appointed, Sh. Sushant Kumar Mishra, Advisor/Infra as part time Government Director on the

Board of Company with immediate effect till he holds the post of Adviser (Infra) or further orders whichever is earlier.

- b) In terms of Railway Board's order no. 2014/E(O)II/40/9 dated 14.06.2017, Sh. Anshuman Sharma, Dir(PP)/DFCCIL was entrusted with the additional charge of the post of MD/DFCCIL for a period of 3 months w.e.f. 01.07.2017 or till the regularly selected incumbent joins the post or until further orders, whichever is the earliest.
- c) In terms of Railway Board's order no. 2017/PL/61/5 dt, 08.06.2017 the President of India has appointed, Sh. Yaduvendra Mathur, Additional Secretary NITI Aayog as part time Government Director on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect till holding of the post of Additional Secretary, NITI Aayog or further orders whichever is earlier.
- d) In terms of Railway Board's order no. 2009/Infra/6/2 dated 30.08.2017 the President of India has appointed, Shri Ashwani Lohani, Chairman, Railway Board as part-time Chairman on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect vice Shri A.K.Mital, till he holds the post of Chairman, Railway Board or till further orders whichever is earlier.
- e) In terms of Railway Board's Order no. 2011/E(O)II/40/34, dated 15.01.2018, the Competent Authority has approved entrustment of additional charge of the post of Director (O&BD), DFCCIL to Shri Naveen Kumar Shukla, IRTS, PED/Mobility, Railway Board, in addition to his own, w.e.f. the date of assumption of additional charge of the post i.e. 17.01.2018 or till further orders.

2.2.2 Directors cease to be hold office during the financial year 2017-2018.

- a. In terms of Railway Board's order no. 2014/E(O)II/40/9 dated 14.06.2017, Sh. Adesh Sharma, Managing Director superannuated on 30.06.2017.
- b. In terms of Railway Board's order no. 2009/Infra/6/2 dated 30.08.2017 Shri A. K. Mital, Chairman, Railway Board as part-time Chairman on the Board of the Company ceases to hold the office of the Part time Chairman w.e.f. 30.08.2017.
- c. In terms of Railway Board's order no. 2011/E(O)II/40/34, dated 15.01.2018, the Competent Authority has approved the relieving of Sh. H.D. Gujrati, Director (OP&BD), from the post w.e.f. 17.01.2018 AN so as to enable him to join the post of Director (O & C), KRC Ltd. on 18.01.2018.

2.2.3 The following Directors have joined after the closure of financial year 2017-2018.

- a) In terms of Railway Board's order no. 2016/E(O)II/40/8 dated 03.08.2018 the Competent Authority has appointed, Shri Anurag Kumar Sachan, as Managing Director (DIN 08197908) on the Board of Dedicated Freight Corridor Corporation of India Limited with immediate effect vice Shri Anshuman Sharma, Dir/PP, upto 31.07.2020 or until further orders whichever is earlier.

The composition of the Board of Directors, on the date of report, along with Directorships held by them and their attendance in the Board meetings held during the financial year 2017-2018 and the last Annual General Meeting is tabled below:

S. No.	Category of Directors	Name of Directors/ Date of Appointment	Number of Directorships/ Chairmanships in public companies including DFCCIL and excluding private Companies 1 & 5	Total No. of Committee Memberships/ chairmanships in public companies including DFCCIL and excluding private companies (*4 & 5)	No. of Board Meetings held during 2017-2018 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
(I) Chairman (Part-time official)							
1.	Chairman/ Railway Board	Sh. A K. Mital (DIN-007124281) (Held office from 03.02.2015 till 30.08.2017)	1	Nil	1	1	NA
1A.	Chairman/ Railway Board	Sh. Ashwani Lohani (DIN-001023747) (Held office w.e.f. 30.08.2017)	2	0	2	1	No
(II) Whole-time Director							
1a	Managing Director	Sh. Adesh Sharma (DIN- 007022393) (Held office from 20.10.2014 to 30.06.2017)	1	Nil	1	1	NA
1b	Looking after Managing Director	Sh. Anshuman Sharma (DIN- 003500815) (Held office from 01.07.2017)	1	NA	3	3	Yes
1c	Managing Director	Sh. Anurag Kumar Sachan (DIN-0008197908) (Held office from 04.08.2018)	NA	NA	NA	NA	NA
2	Director (Project Planning)	Sh. Anshuman Sharma (DIN- 003500815) (Held office from 05.04.2011 and extended up to 31.12.2020)	1	NA	4	4	Yes
3	Additional Charge of Director (Finance)	Sh. Naresh Salecha (DIN-0000843812) (Held office from 01.03.2017)	1	Audit Committee (Member)	4	4	No
4	Director (Operations & Business Development)	Sh. H.D. Gujrati (DIN- 001393052) (Held office from 29.11.2012 to 17.01.2018 AN)	1	Corporate Social Responsibility Committee (Member)	3	3	Yes

S. No.	Category of Directors	Name of Directors/ Date of Appointment	Number of Directorships/ Chairmanships in public companies including DFCCIL and excluding private Companies 1 & 5	Total No. of Committee Memberships/ chairmanships in public companies including DFCCIL and excluding private companies (*4 & 5)	No. of Board Meetings held during 2017-2018 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
4A	Additional Charge of Director (Operations & Business Development)	Sh. Naveen Kumar Shukla (DIN- 0003012728) (Held office from 17.01.2018)		Responsibility Committee- (Member)			
5	Director (Infra-structure)	Sh. D.S. Rana (DIN- 007022825) (Held office from 27.10.2014)	1	1 Corporate Social Responsibility Committee (Member)	4	4	Yes
(III) Director (Part-time official)							
1A	Advisor Infra-structure) / Railway Board	Sh. Achal Khare (DIN- 007576351) (Held office from 05.10.2016 upto 08.06.2017)	2	1 Nomination & Remuneration committee- (Member)	NA	NA	NA
1B	Advisor Infra-structure) / Railway Board	Sh. Sushant Kumar Mishra (DIN- 007869414) (Held office from 08.06.2017)	2	1 Nomination & Remuneration committee- (Member)	4	4	Yes
2A	Additional Secretary NITI Aayog	Sh. Y.S. Malik (DIN-0000000555) (Held office from 30.06.2016 upto 08.06.2017)	4	Nil	NA	NA	NA

S. No.	Category of Directors	Name of Directors/ Date of Appointment	Number of Directorships/ Chairmanships in public companies including DFCCIL and excluding private Companies 1 & 5	Total No. of Committee Memberships/ Chairmanships in public companies including DFCCIL and excluding private companies (*4 & 5)	No. of Board Meetings held during 2017-2018 (during their respective tenure)	No. of Board meetings attended (during their respective tenure)	Last AGM attended
2B	Additional Secretary NITI Aayog	Sh. Yaduvendra Mathur (DIN-000307650) (Held office from 08.06.2017)	1	Nil	4	2	No
(IV) Independent Directors (Part Time non official)							
1	Part Time non-official	Smt. Shakti Munshi (DIN-000483546) (Held office from 01.04.2016)	1	2 Audit Committee- (Member) and Nomination & Remuneration Committee- (Member)	4	4	Yes
2	Part Time non-official	Sh. Ravi Mathur (DIN-002427086) (Held office from 01.04.2016)	1	3 Audit Committee- (Chairman), Corporate Social Responsibility Committee- (Chairman) and Nomination & Remuneration Committee- (Chairman)	4	3	Yes

NOTES:

1. The Directorships being held by the Directors are within the limits laid down under section 165 of the Companies Act, 2013. For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary Company of a public company is included.
2. The term “part-time official” indicates the Government Nominee Directors on the Board of DFCCIL who are the officials of the Ministry of Railways and NITI Aayog.
3. The term “part time non official” means the Independent Directors.
4. For the purpose of considering the limit of the Committees on which a Director can serve, all public limited companies, whether listed or not, is included.
5. For the purpose of reckoning the limit for chairmanship/membership, the Audit Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee is taken.
6. The word “NA” denotes “Not Applicable” as the concerned Directors have joined the Board after the financial year 2017-18.

During the financial year 2017-2018, the Board of Directors met four times to transact the business. The meetings of the Board of Directors of DFCCIL were held on following dates as mentioned below:

S.No.	Quarter	Dates
1.	For the quarter ended June 2017	22.06.2017
2.	For the quarter ended September 2017	29.08.2017
3.	For the quarter ended December 2017	09.10.2017
4.	For the quarter ended March 2018	01.02.2018

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

- Shri Naveen Kumar Shukla, PED/Mobility, Railway Board, Looking after Director OP&BD/DFCCIL w.e.f 17.01.2018.**

Shri Naveen Kumar Shukla, IRTS 1983 is Principal Executive Director heading the Mobility Directorate, Railway Board with additional charge of Director (Operations and Business Development) in DFCCIL. In a career of over three decades in railroad industry, he has provided leadership in variety of roles at Divisional, Zonal and Board level including key assignments of Divisional Railway Manager(DRM)-Vadodara, Executive Director (Perspective Planning) in the Ministry of Railways, Chief Freight Transportation Manager and Chief Passenger Marketing Manager of Northern Railway. Areas of his core competence include Freight transportation & optimization, intermodal operations and strategic planning. He has also held key assignments as Government Nominee Director in large PSUs under various Ministries of Central and State Governments viz. Karnataka Rail Infrastructure Development Company (KRID), Hassan Mangalore Rail Development Corporation (HMRDC)-Delhi, Mumbai Industrial Corridor Development Corporation (DMICDC) and Bharuch – Dahej Railway Corporation Ltd.

He is a trained economist with Post Graduation from Delhi University (Delhi School of Economics). Prior to joining Railways, he was in Indian Economic Services. He has received advanced management training from HEC- Paris and Carnegie Mellon University- USA. He has led various outreach initiatives of Government of India for fostering partnerships with international agencies and foreign railways including World Bank, JICA, MLIT, METI, UIC, SAARC, French Railways, Russian Railways, Italian Railways and German Railways. He has represented Indian Railways in UIC meetings in Tokyo, Warsaw, Brussels, Johannesburg and Paris, at Indo- Japan Summit in Tokyo and at INNOTRANS, Berlin. As Executive Director (Perspective Planning) he had been instrumental in negotiating multibillion dollar loans from World Bank and Japan International Corporation Agency (JICA) for Dedicated Freight Corridor Project of Indian Railways.

ii. Shri Anurag Kumar Sachan appointed as MD/DFCCIL w.e.f 04.08.2018.

Shri Anurag Sachan has assumed the charge of Managing Director of Dedicated Freight Corridor Corporation of India Limited on 04.08.2018. A Civil engineer by profession, he is an officer of Indian Railway Services of Engineers (IRSE) of 1981 batch. Prior to this assignment, Shri Sachan was serving as Chief Administrative Officer Udhampur-Srinagar Baramulla Rail Link Project in Northern Railway. He has worked in various capacities in Indian Railways at the Railway Board, Division and Zonal levels which includes Executive Director Land & Amenities, Railway Board, Chief Engineer/Construction, Western Railway, Mumbai, Divisional Railway Manager, Northern Railway, Delhi, Chief Engineer/Construction, Metropolitan Transport Project, Central Railway, Mumbai and Chief Project Manager, Western Railway, Ahmedabad. He has many notable achievements to his credit, which include execution of critical projects in the dense Mumbai Suburban section. He has also been closely associated with major capacity building infrastructure projects in the states of Gujarat, Maharashtra as also in the remote parts of Odisha. He has headed the largest Division on Indian Railways as Divisional Railway Manager Northern Railway, Delhi that entailed managing huge manpower of over 40,000 personnel with an annual earning of over Rs. 7,000 Crores.

3. Audit Committee

Composition of the Audit Committee

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

S. No.	Member	Position	Date of holding the membership of the Committee
1	Sh. Ravi Mathur Independent Director	Chairman	13.05.2016
2.	Smt. Shakti Munshi Independent Director	Member	13.05.2016
3.	Sh. Naresh Salecha Director (Finance)	Member	01.03.2017

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

- To discuss with the auditors periodically about internal control systems.
- To discuss and decide about the scope of audit including the observations of auditors.
- To review the half-yearly and annual financial statements before submission to the Board and ensure compliance of internal control systems.
- To investigate into any matter relating to financial management including the audit report.
- Any other matter brought to the notice of the Audit Committee by Board of Directors.
- The Audit Committee shall review and recommend the appointment of Internal Auditors, terms & conditions of appointment and remuneration etc. for the consideration of BoD. **(Added vide item no. 65.3.15 of 65th Board Meeting held on 13.08.2018).**

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

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
2. Recommending to the Board the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval.
5. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
7. Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.

8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
9. Discussion with internal auditors and/or auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the Internal Auditors/Auditors/ agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non -payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower Mechanism.
14. To review the follow up action on the audit observations of the C&AG audit.
15. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
16. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors
17. Review all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions.

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

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

21. Carrying out any other function as is mentioned in the terms of reference of the Audit.

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

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

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

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

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

Powers of the Audit Committee:

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

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

During the year under review, the Committee met 6 times on the following dates: 28.04.2017, 19.06.2017, 28.08.2017, 18.12.2017, 22.01.2018 and 23.01.2018. The attendance of the members of the Committee during 2017-18 is produced below:

Member	Position	Meetings held**	Meetings attended ***
Sh. Ravi Mathur, Independent Director	Chairman	6	6
Sh. Naresh Salecha, Dir/Finance	Member	6	6
Smt. Shakti Munshi, Independent Director	Member	6	6

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

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

4. Nomination and Remuneration Committee

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

S. No.	Member	Position	Date of holding the membership of the Committee
1.	Sh. Ravi Mathur, Independent Director	Chairman	13.05.2016
2.	Smt. Shakti Munshi, Independent Director	Member	13.05.2016
3.	Sh. Sushant Kumar Mishra, Nominee Director	Member	22.06.2017

Terms of Reference:

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

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

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

During the year under review, the Committee met 3 times on the following dates: 28.08.2017, 27.09.2017 and 19.12.2017. The attendance of the members of the Committee during 2017-18 is produced below:

Name of the Committee Members	Position
4th Meeting of Nomination & Remuneration Committee held on 28.08.2017	
1. Sh. Ravi Mathur, Independent Director	Chairman
2. Smt. Shakti Munshi, Independent Director	Member
3. Sh. Sushant Kumar Mishra, Nominee Director	Member
5th Meeting of Nomination & Remuneration Committee held on 27.09.2017	
1. Sh. Ravi Mathur, Independent Director	Chairman
2. Smt. Shakti Munshi, Independent Director	Member
3. Sh. Sushant Kumar Mishra, Nominee Director	Member

6th Meeting of Nomination & Remuneration Committee held on 19.12.2017	
1. Sh. Ravi Mathur, Independent Director	Chairman
2. Smt. Shakti Munshi, Independent Director	Member

Remuneration of Directors

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

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

The detail of remuneration paid to the whole time Directors for the year 2017-2018 is detailed below;

S. No.	Name of Director	Salary & Allowances	Other Benefits Perks 17(2)	Performance linked incentives	Total (In Rs.)
1	Sh. Adesh Sharma (Managing Director) (upto 30.06.2017)	12,91,104.00	2,01,518.00	-	14,92,622.00
2	Sh Anshuman Sharma Director (PP)	30,15,015.00	5,97,696.00	-	36,12,711.00
3	Sh. H. D Gujrati Director (OP & BD)	25,87,615.00	5,11,285.00	-	30,98,900.00
4	Sh D.S. Rana Director (Infra)	26,29,806.00	5,63,396.00	-	31,93,202.00
	Total				11,397,435.00

Detail of sitting fee paid to the Part-time non official Directors for the financial year 2017-18:

Two Independent directors were appointed on the Board. Details of sitting fees paid to them during the year 2017-18 are as follows:-

S.No.	Member	Sitting Fees	Total No. Meetings Attended including sub committees meetings
1	Sh. Ravi Mathur, Independent Director	2,80,000/-*	14
2	Smt. Shakti Munshi, Independent Director	2,60,000/-*	13

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

5. Corporate Social Responsibility Committee

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

S. No.	Member	Position	Date of holding the membership of the Committee
1	Sh. Ravi Mathur, Independent Director	Chairman	13.05.2016
2	Sh. Naveen Kumar Shukla, Dir/OP&BD	Member	01.02.2018
3	Sh. D.S. Rana, Dir/Infra	Member	08.05.2015

Terms of Reference:

The Corporate Social Responsibility Committee shall, -

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

During the financial year 2017-18, the Committee met two times on 27.04.2017 & 09.06.2017.

6. General Meetings.

Annual General Meetings.

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

AGM	Year	Venue	Date	Time
9 th	2014-2015	Board Room, 5 th Floor, Pragati Maidan, Metro Station Building Complex, New Delhi-110001.	21.09.2015	12:30 Hrs.
10 th	2015-2016	Board Room, 5 th Floor, Pragati Maidan, Metro Station Building Complex, New Delhi-110001.	26.09.2016	12.30 Hrs
11 th	2016-2017	Committee Room, 2 nd Floor, Rail Bhawan, Raisina Road, New Delhi-110001.	26.09.2017	12.00 Hrs

Detail of special resolutions passed in the previous three AGMs.				
AGM	Year	Subject Matter of the Special Resolution	Date	Time
9 th	2014-2015	Nil	21.09.2015	12:30 Hrs.
10 th	2015-2016	Nil	26.09.2016	12.30 Hrs
11 th	2016-2017	Nil	26.09.2017	12.00 Hrs

7. Disclosures

- A. There has not been a reported materially significant related party transaction except the disclosed vide note 37 to the financial statements.
- B. All the terms of expenditure debited in the books of accounts of DFCCIL are for the purpose of project execution entrusted to DFCCIL and are related to project execution.
- C. There are no personal expenses incurred for the Board of Directors.
- D. The Net administrative expenses as a percentage of total expenses have increased from 3.74 % in 2016-17 to 3.86 % in 2017-18.
- E. The Auditors' Report submitted by M/s S.R. Dinodia & Co. LLP, Chartered Accountants doesn't contain any qualification and hence no explanation or comments are required.

8. Corporate Communication

- a. **DFCCIL's Social Media is the fastest growing Social Media among all Railway PSUs:** As per the Social Media Monitoring Reports issued by the Railway Board during the last few weeks DFCCIL has maintained its lead over all other seven Railway PSUs excluding IRCTC in terms of adding number of followers on Facebook and Twitter. DFCCIL makes more number of original posts than many other Railway PSUs. All the facebook posts of DFCCIL are bilingual and regional languages such as- Gujarati, Marathi and Punjabi etc. are also used while making posts depending upon the targeted audience.

The status of DFCCIL social media as on 31.03.2018 is as below:

Facebook Page	Twitter Handle	YouTube Channel
Page Created on : 26.06.2015	Account created on: 09.09.2015	Channel started on : 03.12.2015
No. of followers : 4260+	No. of followers : 3015+	No. of videos uploaded : 25
No. of posts: 182+	No. of tweets and replies: 632+	No. of subscribers : 2759+
Photos/videos uploaded: 358+	Pictures/videos attached: 353+	Total number of views : 4.20 Lacs+

- b. **Press Release:** A total number of 13 Press Releases were issued to the national media. Hindi Version of Press Releases was also issued along with English for wider reach and publicity.

- c. **Coverage in Television Media:** Special programs/interviews were telecasted on Aajtak, CNBC TV 18, News 24, India News, Prime News and ET Now.
- d. **Coverage in Print Media:** During FY – 2017-18 local media coverage in jurisdiction of different unit of DFFCIL has been increased tremendously. Newspaper like TOI, Ahmedabad and Indian Express published special feature on DFC.
- e. **Participation in Exhibitions:**
 - (I) Global Exhibition on Services (GES), Greater Noida from 17-20 April 2017.
 - (II) India Integrated Logistics Summit, New Delhi from 03-05 May 2017.
 - (III) Magnetic Maharashtra Exhibition on 18-23 Feb 2018 at Mumbai.
 - (IV) Firozabad Exhibition on 21st March, 2018 at Firozabad (U.P.)

9. Audit Qualifications

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

10. Training of Board Members

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

11. CEO/CFO Certification

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

12. Code of Business Conduct & Ethics

The Company has in place the Code of Conduct for Board Members and Senior Level Management duly approved by the Board of Directors. At 36th meeting of the Board, the Code of Business Conduct and Ethics for Board members and Senior Management which came into force w.e.f. 1st day of April 2009 was replaced by the Model Code of Conduct as suggested in DPE guidelines. In terms of Code of Conduct for Directors and Senior Management Personnel, the annual affirmation that Code of Conduct has been complied with has been obtained from all the functional Board members and Senior Management Personnel. The Code of Conduct is also posted on the Website of the Company www.dfccil.gov.in. A declaration signed by the Managing Director affirming the compliance with the code of conduct by the Board Members and Senior Management Personnel during 2017-18 is placed at **"Annexure "B-2"**.

13. Whistle Blower Policy

DFCCIL believes in conduct of its affairs with highest standards of professionalism, honesty and integrity and is committed to ensure ethical behaviour by all its employees. The Company therefore believes in creating a culture where it should be safe for all employees to raise concerns about any unethical practices of misconduct. The company had formulated a Whistle Blower Policy. This policy provides a framework to enable employees wishing to raise a concern about serious irregularities within the Company without fear of victimization and covers protected disclosures by employees of DFCCIL including those on deputation.

14. Compliance Certificate.

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

15. The Annual Return as referred in Sec 92(3) of the Companies Act, 2013 is uploaded at www.dfccil.gov.in

Annexure B-1



Dedicated Freight Corridor Corporation of India Limited

(A Government of India Undertaking)

MANAGING DIRECTOR AND DIRECTOR FINANCE/ CFO CERTIFICATION

We have reviewed the Financial Statements including the Balance sheet, Statement of Profit & Loss, and the Cash Flow Statement for the financial year 2017-18 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 changes in Accounting Policies during the year, and that the same have been disclosed in the Notes to the Financial Statements; and
- (vi) There was no instance of fraud nor there has been involvement of the Management or an employee having a significant role in the Company's internal control system over financial reporting, of which we are aware.

Date: 08.08.2018
Place: New Delhi

Sd/-
Naresh Salecha
Director Finance

Sd/-
Anurag Sachan
Managing Director

Annexure B-2

Declaration by Managing Director regarding compliance with the Code of Business and Ethics Conduct by Board members and Senior Management during F.Y 2017-18.

I, Anshuman Sharma, Director (PP) & Managing Director, Dedicated Freight Corridor Corporation of India Limited do hereby declare that all the functional members of the Board of Directors and the Senior Management Personnel have affirmed compliance of the Code of Business and Ethics Conduct during 2017-18.

Sd/-

Place: New Delhi
Date: 01.05.2018

(Anshuman Sharma)
Director (PP) & Managing Director(L/A)

Annexure B-3



Balika Sharma and Associates Company Secretaries

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

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of,
Dedicated Freight Corridor Corporation of India Limited
5th Floor, Pragati Maidan 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 31st March, 2018 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 31 March 2018, the company has complied with various provisions of the Guidelines in its Corporate Governance Report except:

a) Clause No. 3.1 relating to Composition of Board of Directors-Independent Directors.

5. We certify that in respect of the aforesaid financial year 31st March 2018, the company has complied with various provisions of the Guidelines in its Corporate Governance.

Place: New Delhi

Date: 22.08.2018

Sd/-

Balika Sharma & Associates

Company Secretaries

FCS No.: 4816

C P No.: 3222

Annexure C

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

Infrastructure sector includes developing road infrastructure, railway infrastructure and port connectivity, power, bridges and urban infrastructure development. Rail transportation is the backbone of our country's transportation infrastructure.

"The Dedicated Freight Corridor (DFC) project is one of the identified projects of the Government which is of public importance and to be delivered on a priority basis," The project is being closely monitored at different levels.

In line with international best practices, we rely on technological solutions for project management and monitoring. Latest drone and Geo Spatial based satellite technology is used for remotely reviewing the physical progress across major projects.

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

VISION

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

MISSION

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

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

Capital Expenditure on Project Execution

As on 31st March, 2018, the Cumulative expenditure on Project Execution (other than land) is Rs.22,345.69 Crores out of which includes Tangible Assets is Rs.13.69 Crores, Capital Work in progress is Rs.14757.09 Crores, Intangible assets is Rs. 0.27 crores, Intangible assets under Development is Rs. 11.31 Crore and Capital advances Rs. 7563.33 Crore. The gross expenditure during the year 2017-18 on project execution is Rs. 6703.08 Crore which includes tangible assets is Rs.-0.84 Crore, intangible assets under development is Rs.-0.46 Crore, Capital Advances is Rs. 808.93 Crore and Capital Work in Progress Rs. 5895.45 Crore.

Strength

- a) The land acquisition process has been moving smoothly due to adoption of cautious and sensitive approach with the Project Affected People (PAPs) and also due to intense frequent engagement with the State revenue and other officials. To minimize Social Risks, detour alignment has been finalized for areas with high population density and areas with high structures.
- b) All necessary clearances are being obtained and regularly post compliances are being ensured. Implementation of electrified DFC itself is an environment friendly and energy saving activity.
- c) A dedicated department i.e. SEMU for implementation of Social and Environmental Management Safeguards in the both the corridor has been setup. SEMU department is headed by separate Group General Managers for EDFC & WDFC, supported by a team of in-house professional experts. Time to time capacity building of SEMU, Field Staff, PMC and Contractor is been done by external professional experts.

Weakness

- a) DFC requires 11664 hectares of Land spread over 3360 Kms for both Corridor. The Acquisition of Land being the subject matter of the concerned States is a biggest challenge faced by the Company. The Land is to be acquired in terms of various guidelines issued by State Governments / Zonal Railways, Central Government, provision of NRRP 2007 and requirement of funding agencies with respect to environmental and social considerations and expectations of project affected parties. With the passage of “the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013 followed by the Amendment Ordinance, the provisions of the new act with regard to compensation and R&R are applicable to all acquisition being undertaken by DFCC w.e.f 01.01.2015.
- b) Schedule of the implementing agencies has been affected due to the time involved in the obtaining of statutory clearances for the procurement of construction material under the various Rules. Continuous follow up with the concerned authority is being maintained to expedite the matter. Delay in obtaining various statutory clearance by the contractor and his subcontractors could lead to risk of reputation to the project.

Opportunity

- a) DFCCIL has a great opportunity to build world class infrastructure that will have the capability of bringing about a paradigm shift in the transportation sector in India. It will be a game changer in transport logistics. Scheduled services is expected to bring down logistics cost significantly. Development of logistics terminals along DFC will provide much awaited end logistic solutions to the Industry. It will help in creating employment not only on regional basis but on national level. The CSR policy of the company is focused towards upgrading the skills of the PAPs by providing the training.
- b) DFC contributing to national economy both directly and indirectly will be a game changer in transport logistics. Speedier, scheduled services is expected to bring down logistics cost significantly.

- c) The network is expected to provide long awaited total logistics solution to trade utilizing energy efficient rail transportation leading to development of various main Industries and ancillaries. Even during the construction phase, this project is a major boost for the national economy and various Industries. Infrastructure sector is pinning its hope on successful and timely execution of the project. The project will help in developing Industrial hubs i.e. DMICDC on Western Corridor, Special Primary Economic Region (SPER) on Eastern Corridor, development of Industrial Corridor from Amritsar-Dankuni along the Eastern Corridor. It will also result in decongestion of major highways. Most importantly.
- d) Implementation of green field DFC project in environment friendly manner encountering reality in the field is an opportunity to replicate the same elsewhere in future DFC projects.

Threats

- a) During the construction phase, it is really challenging to hand over encumbrance free land to the contractor. Relocation of different utilities from the alignment, before construction schedule and ensuring safety of Indian Railways assets during construction in parallel section are posing a big threats.
- b) In order to ensure delivery of the project on time, coordinated efforts are required among all the inter-ministerial and stakeholders, and the parties involved in the projects i.e. Ministry of Railways, Planning Commission, Ministry of Finance, State Governments, Japan International Co-operation Agency, World Bank - and each must perform its obligations in time to ensure that DFCs get constructed in time and within the estimated completion cost.
- c) In order to overcome the situation, the issue had been raised on various occasions on all levels.

The company continues to suffer lack of institutional strength as a result of non-availability of adequate resources.

Strategies

- a) Land Acquisition in the project shall continue to be a challenge but at the same time it is hallmark of strength of the organization. For grievances pertaining to compensation for land and structure related issues, Arbitrators have been appointed for each District. In most cases, the Arbitrator's decision for higher compensation to PAPs is accepted in order to satisfactorily resolve the grievances of PAPs and timely completion of land acquisition, even if it entails slight deviation from the Entitlement Matrix and higher compensation. Further, District Level Grievance Redressal Committee have also been formed in EDFC-1, EDFC-2 & EDFC-3 and provisions for redressal of grievances at Field as well as Project level have been provided and included in the published RAP for EDFC and RRP for WDFC.
- b) Details of EDFC GRC have been uploaded in DFC web portal and also published in newspaper for wider public awareness. With constant persuasion at Chief Secretary's level in the State Level Coordination Committee, critical land patches have been acquired by DFCCIL.

Outlook

The Company is looking forward to create a state of art world class infrastructure that will have the capability of bringing about a paradigm shift in the transportation sector in India. The Company is committed to

ensure the quality as well as safety in the implementation of the project. In this regard, steps are taken to give adequate training to field staff to acquaint them with best international construction practices.

Road Ahead

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

Risks and Concerns

The Company has developed the Enterprise Risk Management Framework which has been approved by the Audit Committee and also by the World Bank. The Enterprise Risk Management Framework has been implemented with effect from 1st December 2014. The Top 20 risks each perceive at this stage during "Planning & Construction Phase" and "Operation Phase" have been identified and prioritized. A Risk Management structure has already been defined, which comprises of a Risk Management Committee (RMC) consisting of three members. A Chief Risk Management Coordinator (CRMCO) being the nodal point for coordinating and managing all the risk management activities reviewed and approved by RMC. The head of various department such as Civil, S&T, IT, Administration, Electrical, Operation, Finance etc. and CPMs act as Risk Mitigation Plan Owners (RMPOs) and would be responsible for risk identification, its prioritization and for framing the mitigation plan. In order to ensure that there are appropriate controls in place for the risk management activities, a risk monitoring and assurance mechanism through MIS has been provided for a part of Enterprise Risk Management Framework to assess the effectiveness of mitigation plan for a particular risk.

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

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

Top five risks faces by the company during the Construction and Planning Phase and Operations Phase have been identified and are as under:

- 1) Inadequate management of procurement of goods/services/work (issued related to procurement).
- 2) Possible increase in the scope of work of contractors.
- 3) Delayed construction of corridors.
- 4) Delay/difficulty in construction of RUB/ROB (issues pertaining to construction of RUBs/ROBs.
- 5) RRP benefits distribution.

Internal Control Systems

In any organization, internal control being an integral process, effected by an entity's Management and

personnel is designed to address risks and to provide reasonable assurance that in pursuit of entity's mission, the general objectives of executing the operations more orderly, ethically, economically, efficiently and effectively is achieved and the resources are safeguarded against loss, misuse and damage.

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

Statutory Auditor of the Company vide **Annexure "B"** to the Independent Auditor's Report on the Internal Financial Control in compliance of Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 have commented that the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Industrial Relations

During the year under review, the Industrial Relations remained peaceful and harmonious. DFCCIL celebrated 12th Foundation on 29/10/2017 in Air Force Auditorium, Subroto Park, New Delhi. This memorable event was attended by Sh. Manoj Sinha, Hon'ble Minister of State of Railways (S) and Communication (Independent Charge), Sh. Ashwani Lohani, Chairman DFCCIL and Chairman Railway Board, Senior Officers from Railway Board, Representatives from the World Bank and JICA, Senior Officers from PSUs and other Govt. Departments, Members of the Stakeholders, Consultants and Contractors, Representative from Press and Media and officers and staff of DFCCIL.

DFCCIL participated in the Global Exhibition on Services (GES) from 17/04/2017 to 20/04/2017 at India Expo Centre and Mart, Greater Noida organized by the Confederation of Indian Industry (CII) and put up a stall which was well appreciated by all including the numerous distinguished visitors. On this occasion, DFCCIL Brochures and Pamphlets were distributed, DFCCIL Achievements highlighted and a video film show casing DFCCIL was shown.

DFCCIL participated in the India Integrated Transport and Logistic Summit – 2017 at Vigyan Bhawan from 03/05/2017 to 05/05/2017 and put up a stall which was well appreciated by all including the numerous distinguished visitors. Hon'ble Minister for Railways, Hon'ble Minister for Road Transport and Highways and Railway Board Members also visited the DFCCIL Stall. On this occasion, DFCCIL Brochures and Pamphlets were distributed, DFCCIL Achievements highlighted and a video film show casing DFCCIL was shown.

'International Day of Yoga' was celebrated on 21st June, 2017 in the DFCCIL Corporate Office as well as in the Field Offices. On this occasion, Audio Video Presentation followed by Demonstration cum Yoga Session as per 'Common Yoga Protocol – 2017' brought out by Ministry of Aayush, Government of India was organized in the DFCCIL Corporate Office by Yoga Instructors deputed by the Morarji Desai National Institute of Yoga which was participated by the Officers and Staff of the DFCCIL Corporate office. All Officers and Staff also took 'SANKALPA'. On this occasion, Common Yoga Protocol Booklets both in Hindi and English were also distributed.

The National Flag was hoisted in the DFCCIL Corporate Office premises on the Independence Day and

Republic Day i.e. on 15 August 2017 and 26 January 2018 respectively.

The Sadbhawana Diwas was observed on 18/08/2017 and a Sadbhawana Diwas Pledge Taking Ceremony was conducted in the Corporate Office as well as in the Field Offices. All officers and staff took the Sadbhawana Day Pledge.

As a part of Swachh Bharat Mission 2017-18, Swachhta Pakhwada was observed from 16 August to 31 August 2017. During the Swachhta Pakhwada, Cleanliness Drives were launched in the Corporate Office as well as in the Field Offices and Swachhta Pledge was administered to all officers and staff.

'Swachhta Hi Seva' was observed from 15/09/2017 to 02/10/2017. During this period, Cleanliness Drives were organized in the Corporate Office as well as in Field Offices. Special Cleanliness Drive was organized in the Corporate Office on 29/09/2017 in which MD, Directors, CVO and Officers and Staff of Corporate Office participated.

'Rashtriya Ekta Diwas' was observed on 31/10/2017 and on this occasion a Pledge Taking Ceremony was conducted. All officers and staff took the 'Rashtriya Ekta Diwas Pledge'.

During the month, Quami Ekta Week (National Integration Week) was observed from 19/11/2017 to 25/11/2017.

During the month, Communal Harmony Campaign Week was observed from 19 to 25 November 2017 and Flag Day was observed on 24 November 2017 for spreading the message of Peace and Harmony.

Armed Forces Flag Day was observed on 07/12/2017. On this occasion, Posters and Banners received from Ministry of Defence were displayed and Sealed Donation Boxes were kept at all Receptions in the Corporate Office till 29/12/2017. Voluntary contribution as received along with Sealed Donation Boxes was deposited.

National Press Party accompanied by Senior Officials of DFCCIL and Railway Board visited DFCCIL Project Sites in Aligarh Area on 09/12/2017. There was a wide coverage about the DFC Project in the Press and Media.

As advised by Railway Board, Martyrs' Day was observed on 30 Jan., 2018. Martyrs' Day is observed throughout the Country in the memory of those who gave their lives in the struggle for India's Freedom. As a part of Observance of Martyrs' Day, 'Two Minutes Silence' was observed in the DFCCIL Corporate Office as well as in the Field Offices.

Environment Protection and Conservation

- a) The Eastern Corridor, starting from Ludhiana in Punjab will pass through states of Haryana, Uttar Pradesh, Bihar, Jharkhand and terminate at Dankuni in West Bengal. All requisite and applicable statutory clearances like permission for tree cutting in TTZ area, NOC from ASI, Forest Clearance and Wildlife Clearances have already been obtained from competent authority and some Forest Clearances are under process and shall be obtained before undertaking construction work. Post compliances of all regulatory applicable clearances are also being ensured through the implementing agencies and DFCCIL officials, PMC officials, SESMRC, QSAC are regularly inspecting worksites for compliances.
- b) The Western Corridor will traverse the distance from Dadri in Uttar Pradesh via Haryana, Rajasthan & Gujarat to JNPT in Maharashtra. All requisite and applicable statutory clearances like CRZ Clearance,

Forest Clearance, and necessary permissions to cut the trees in Sanjay Gandhi National Park, Dahanu region of Maharashtra have already been obtained from competent authority and some Forest Clearances are under process and shall be obtained before undertaking construction work and post compliances of all regulatory clearances are also being ensured through the implementing agencies and DFCCIL officials, PMC officials, SESMRC, QSAC are regularly inspecting worksites for compliances.

- c) During the Year 2017-18, Environmental Management Plan for Major Bridges and Annual Action Plan along with Social and Environmental Safeguard Compliance for Linked Activity for entire EDFC have been prepared under the guideline of World Bank and their approval has been obtained. The implementing agencies have prepared their own site specific Environmental Management Plan (EMP) as per the funding agencies guidelines and site specific SHE Plan as per the DFCCIL's SHE manual in EDFC-1, 2 and in 3. The contractor of EDFC- I & 2 has obtained ISO 14000 and 18000 certifications and the same is under process for EDFC-3. Implementation of agreed action and performance rating as prescribed by the funding agencies are also being complied at site.
- d) Capacity building workshops for all DFCCIL officials, PMC officials, Contractor and NGO for implementation of Safeguards polices and Environment Management are being organized regularly at field units in which lectures on such issues are delivered by the team of professional experts.
- e) MD, DFCCIL has also issued a message based on theme "Connecting people to nature" on the occasion of World Environment Day on 5th June 2017. This was circulated to all concerned widely. All national day related to Environment, workmen safety like HIV AIDS awareness, Fire Safety Day, National Safety Day are being celebrated from time to time at all field units.
- f) Environmentally proactive approach of DFCCIL is reflected from the fact that DFC alignments have been selected carefully to avoid or minimize damage to the environment by avoiding sensitive features like forest land and wildlife sanctuary. Wherever it becomes unavoidable, all applicable statutory clearance from Competent Authority are being obtained before undertaking construction work.

EIA studies for entire corridor have been conducted. EIA studies of both the corridor (EDFC and WDFC) have revealed negligible impact on the environment due to DFC. Suitable mitigation measures, where impacts are unavoidable during construction phase or operation phase, are being practiced. Environment Management Plan have been prepared and is thoroughly being implemented. Tree cutting, Compensatory tree plantation, Silicosis exposure reduction strategy have been adequately addressed in the EIA reports. At implementation level, DFCCIL has already committed itself to take all necessary steps to mitigate the unavoidable impacts due to the construction and operation of the Freight Corridor.

2. Social Safeguards Measures

- a) DFCCIL has taken all measures to safeguard environmental and social risks. Railway Board has approved Entitlement Matrix, which covers category wise various entitlements to Project Affected Persons (PAPs) based on the relevant the Right to Fair Compensation and Transparency in Land Acquisition, Resettlement and Rehabilitation (RFCT-LARR) Act 2013.
- b) With effect from 01.01.2015, the "Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013 (RFCT-LARR) has become applicable for land acquisition by

DFCCIL. Accordingly, the provisions of the new act with regard to compensation and R&R are applicable to all acquisition being undertaken by DFCC from 01.01.2015 onwards. The Entitlement Matrix has been made available on DFCCIL website, all CPMs office, and disseminated at public places for information. Disbursement of Rs. 512 Crores against total Rs. 611 Crores resettlement and rehabilitation award has also been completed.

- c) All viable alternatives has been taken to minimize land acquisition and involuntary resettlement impacts to the PAPs. The at most care is being taken to ensure expeditious implementation of rehabilitation process. DFC has a well formulated Resettlement Policy Framework (RPF) to take appropriate resettlement and rehabilitation measures for persons / household adversely affected due to implementation of DFC project. To meet the World Bank & JICA Social safeguard policies compliance, Resettlement Action Plan (RAP) inclusive of Social Impact Assessment (SIA) & Rehabilitation and Resettlement Plan (RRP) have been prepared for both EDFC & WDFC and uploaded on DFCC's website for public information. The services of NGOs were taken for implementation of RAP, preparation of Micro Plan and assist in resolution of various grievances of PAPs.
- d) DFC has also appointed Social & Environmental Safeguard Monitoring and Review Consultant (SESMRC) for EDFC-1, EDFC-2 and EDFC-3. Their role is to monitor & review the progress of land acquisition and R&R, implementation of RAP & EMP and to provide suggestions for improving the same. They continuously monitoring the implementation plan of the RAP and submit quarterly report on the progress and shortcomings. It has helped DFCCIL in monitoring that project personnel take adequate caution in ensuring a quality and safe work environment. SESMRC for EDFC-3 i.e. Sahnewal-Pilkhani section, 175 Kms & Khurja-Dadri section, 46 Kms and Pilkhani-Khurja section, 221 Kms (Total 442 kms) has also been finalised.
- e) Major pending land acquisition issues under dispute for more than 2 years have been resolved after intervention by Hon'ble MR, discussions with Chief Secretary & highlighting issues in PMG & Pragati meetings.

Human Resource

1. Mission and Values

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

2. Manpower Mobilization

For successful functioning of our organization, placement of right manpower at the right place at the right time is of paramount importance. Taking into consideration the long term requirements of the organization, manpower has been inducted from open market through direct recruitment

and immediate absorption besides permanent absorption of eligible deputationists. During the year 2017-2018, 126 candidates joined DFCCIL through open market recruitment. In addition to above, total of 11 posts were filled through Permanent absorption at various levels/cadres. Also, manpower have been inducted on contract basis in Civil and Finance department.

Department of Public Enterprises has granted exemption to DFCCIL from the Rule of immediate absorption upto 29.12.2018. The exemption to induct 200 Gazetted officers and 200 non-Gazetted employees on deputation terms. The normal deputation tenure in DFCCIL for railway employees is 05 years. During the year, 41 employees have joined DFCCIL on deputation basis.

With new induction, total strength as on 31.03.2018 is 982 employees (682 - Permanent, 244 - Deputation, 13 - Re-employed, 39 - Contract & 04 - Consultants).

3. Policy Initiatives

Following policies have been introduced during the year:

1. Policy on Periodical Review of service for ensuring probity and efficacy among employees of DFCCIL issued on 20.11.2017.
2. Comprehensive guidelines defining the procedure for reimbursement of LTC claims and delegation of sanctioning authority to CPM units were issued on 02/05/2017.
3. Policy for extending the facility of Tour Advance to officials of DFCCIL was introduced on 01/05/2017.
4. Policy for retention of third party lease accommodation on Transfer, Repatriation, Retirement and Death was issued on 20/04/2017.
5. Rules for Fixation of pay on immediate and permanent absorption and for counting residency period of deputationists for promotion after absorption were streamlined through a comprehensive policy issued on 18/04/2017.
6. Guidelines laying down the procedure for reimbursement of cost of uniform were issued on 08/03/2017.
7. Guidelines for mutual transfer for employees of DFCCIL were issued w.e.f. 28/11/2017.
8. Lease facility to E-0 employees was introduced w.e.f. 15.11.2017.
9. Identification of sensitive posts in DFCCIL was completed and intimated to Railway Board on 08/12/2017. Further rotational transfers were also complied with.
10. Income limit was revised for establishing dependency for medical purposes as per Government of India guidelines vide circular dated 01.12.2017.

4. Training:

Trainings organized during the year 2017-18

Technical trainings have been planned for professional up gradation of staff and officers of DFCCIL.

Training of DFCCIL is broadly divided into 3 groups:

- i. Induction Training for direct recruits
- ii. World Bank Approved Trainings
- iii. Other Professional Trainings

World Bank approved Training:

Based on the Training need analysis done by HR involving Chief Project Managers (Field Officers) and GGM/GMs of Corporate Office, a detailed Training Plan was prepared which was also approved by World Bank. 686 employees have undergone training for 1185 man days.

Major Trainings Organized:-

- **Training Programme on Practical use of FIDIC Conditions and Contracts (Module-I) - CEAI**
 - 40 officers were nominated to participate in training programme on Practical use of FIDIC Conditions of Contracts on 12th & 13th January 2018 (Module-I) at Indian International Centre (IIC), New Delhi
- **Training Programme on FIDIC - Management of Claims and Resolution of (Module-II) – CEAI**
 - 40 officers were nominated to participate in training programme on Management of Claims and Resolution of Disputes on 15th & 16th January, 2018 (Module-II) at Indian International Centre (IIC), New Delhi
- **Training on GST-In-house training at Corporate Office/DFCCIL**
 - Three workshops on GST has been organized during the year to enrich the knowledge of DFCCIL officials for successful implementation of the GST scheme. About 116 officials have participated in the same.
 - The training covered areas such as GST concept, financial gain to Industry/Consumer in proposed GST Regime, Levy (supply) under GST, Point of Taxation, Registration, Return, Composition Scheme, Casual trader, Assessment, Preparedness for GST.
- **International Technical Seminar -Institution of Permanent Way Engineers (India)**
 - 04 officers of DFCCIL have participated in the International Technical Seminar organized by Institution of Permanent Way Engineers (India) on 20th July, 2017 at New Delhi.
 - The purpose of this seminar was to attract participation of leading international track and construction experts to share their domain knowledge and deliberate on latest trends and practices in track technologies and construction methodologies.
- **Workshop on Environment & Social Safeguards**
 - 20 officers of DFCCIL have participated in Workshop on Environment & Social Safeguards held on

15th & 16th November, 2017 at Kanpur

- **Workshop on RTI Act. 2005 –ISTM**
 - 25 officers of DFCCIL have participated in Workshop on RTI Act. 2005 held on 15th & 16th March, 2018 at ISTM/New Delhi.
 - The detailed training regarding provision & procedure of RTI Act 2005, private & confidential information, exempted information under RTI, judgments passed by Hon'ble Supreme Court of India, Various Hon'ble High Courts &CIC etc. was provided to the participants
- **Workshop on Rajbhasha- In-house training at Corporate Office/New Delhi**
 - 81 officers from DFCCIL have participated in in two workshops on Rajbhasha held at Corporate Office/DFCCIL/New Delhi, during the year.
- **National Conclave on prevention of accidents on distribution & Power transformers- CBIP**
 - 4 officers of DFCCIL have participated in National Conclave on prevention of accidents on distribution & Power transformers organized by CBIP from 21st to 22nd December, 2017 at New Delhi
 - The aim of the conclave was to make the participants aware of root causes of accidents in distribution and power transformers and to discuss the various options available to avoid the accidents. During the conclave many important topics such as Planning and design aspect of transformer, protection and earthing, operation and maintenance, training and attitudinal changes adoption of innovative technologies, etc. were discussed.
- **7th International Conference on Power System protection and automation- CBIP**
 - 03 officers of DFCCIL have participated in the 7th International Conference on Power System protection and automation from 26th to 28th February, 2018 at New Delhi
 - The aim of the conference was to update the knowledge of professionals about the current techniques on protection & automation. Topics covering issues such as protection requirement, philosophy, innovative schemes, transmission line HVDC, optical CT/PT, substation automation based on IEC 61850, protection coordination, digital communication, simulation techniques, cyber security & case studies etc. were discussed during the conference.
- **Training Programme on Geotechnical Modelling using Geo studio-IIT/Delhi**
 - 03 officials from DFCCIL have participated in the training on Geo technical Modelling using Geostudio from 18th to 20th December, 2017 at IIT/Delhi
 - This course was intended to edify the theoretical and practical aspects of geo technical modelling of slope stability and seepage analysis using Geo studio software. The speakers initiated an introduction to the basic concepts of soil mechanics, especially the engineering properties of soil with reference to slope stability and seepage and were taken forward further to cover the method of slope stability and seepage analyses and modelling these problems in Geo Studio.

- **International Technical Seminar of IPWE- N.E.F. Railway**
 - 04 officers from DFCCIL have participated in the International Technical Seminar of IPWE on 23rd to 24th February, 2018 at Guwahati.
 - The topic of the seminar was leveraging developments in Monitoring Technology for optimizing Track, Bridge and Tunnel Maintenance.
- **International Conference on Advance in Concrete, Structural & Geo technical Engineering ACSGE-2018 – BITS PILANI**
 - 01 officer from DFCCIL has participated in International Conference on Advance in Concrete, Structural & Geotechnical Engineering ACSGE-2018 held from 26th to 28th February, 2018 at BITS PILANI.
 - This conference aimed to follow up the scientific studies and experiences gained in the development of the innovative and sustainable construction materials and their applications in the field of concrete, infrastructures, structural and geotechnical engineering, especially during the last decade
- **Special Course on Tunneling- IRICEN/PUNE**
 - 02 officers from DFCCIL have participated in Special Course on Tunneling from 26th to 31st March, 2018 at IRICEN/Pune.
 - In this course, all relevant aspects of tunnel design/analysis, construction, inspection & maintenance were covered. This course has been very useful for the officers of Zonal Railway and PSUs involved in Design/analysis of Tunnels, Construction of Tunnels and Inspection & Maintenance of Tunnels.
- **Induction Training for Direct Recruits:**
 - For fresh recruits Induction and specialized technical trainings were organized at various Railway Training Institutes like:IRISET, IRICEN, ZRTI/Udaipur, Safety Camp/Dhanbad.
- **Trainings Abroad:**
 - Four officers participated in training program at Operation Control Center in China and Hong Kong, from 17th -25th July, 2017 for 6 working days. The training was organized to impart necessary skills and experience required for design and implementation of large OCC.
 - Twelve officers participated in ASIPL General Training in Electrification Works Module (12.09.2017 to 19.09.2017) and S&T Works Module (07.09.2017 to 14.09.2017) at France, Spain and Italy. The training provided exposure with traction design and installation including operation and maintenance. The training benefited trainees' with respect to design, system engineering, assembly, configuration, testing and diagnosis.
 - One officer participated in SABIT programme for Intermodal Transportation from 10th -24th June, 2017 in United States. SABIT is U.S Department of Commerce's Special American Internship Training program which brings together policy makers and experts from around the world to gain further expertise and share knowledge in their fields.

One officer participated in the event – participation in CoP -23 side events at India Pavilion – Session on Transport Sector in November 2017 at Bonn, Germany.

5. Corporate Social Responsibility

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

Annexure-D



Balika Sharma and Associates Company Secretaries

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

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2017-18

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

To,

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dedicated Freight Corridor Corporation of India Limited, (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, e-Forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year commencing from 1st April, 2017 and ended on 31st March, 2018 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, 2018 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;

- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- 6) Being an Unlisted Public Company, the above mentioned acts given in Para 2, 3, and 5 are not applicable to the Company.
- 7) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We have examined compliances of the provisions of para (i) as they had been notified by Central Government with effect from 01st July, 2015 but we have not examined compliances of the provisions of para (ii) as these are not applicable to the Company (being Unlisted Government Company).

- i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with N.A. 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda

were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that during the audit period the company has:

1. The Company has increased its Authorized Share Capital from Rs. 8,000 Crores to Rs. 22,000 Crores subject to the approval of shareholder in the Annual General Meeting held on 26th September, 2017. In order to increase Authorized Share Capital, the Capital Clause of the Memorandum of Association of the Company was accordingly altered to give effect to increase in Capital of the Company.

Place: New Delhi

Date: 31.08.2018

Sd/-

Balika Sharma & Associates

Company Secretaries

FCS No.: 4816

C P No.: 3222

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



Balika Sharma and Associates Company Secretaries

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

To,

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

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

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

Place: New Delhi
Date: 31.08.2018

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

GST No. : 07AMAPS 9564 KIZE

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

Financial Statements

for the year 2017-18

डेडीकेटेड फ्रेट कोरीडोर कॉर्पोरेशन ऑफ इंडिया लिमिटेड
Dedicated Freight Corridor Corporation of India Limited

Balance Sheet as at March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	1,369.24	1,453.36
(b) Capital work-in-progress	3	14,75,708.56	8,86,163.98
(c) Other intangible assets	4	27.82	73.88
(d) Intangible assets under development	4	1,130.76	1,130.76
(e) Financial assets			
(i) Other non-current financial assets	5	809.26	549.92
(f) Deferred tax assets (net)	6	2,095.84	2,132.37
(g) Non current tax assets (net)	7	4,767.87	1,538.52
(h) Other non-current assets	8	7,82,786.72	6,81,251.31
Total non current assets		22,68,696.07	15,74,294.10
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	9	1,47,953.82	1,44,600.88
(ii) Other Bank balances	10	3,976.01	2,18,805.75
(iii) Other current financial assets	11	8,659.16	4,875.74
(b) Other current assets	12	1,358.86	843.59
Total current assets		1,61,947.85	3,69,125.96
Total assets		24,30,643.92	19,43,420.06
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	7,65,827.29	7,65,827.29
(b) Other equity	14	3,36,259.59	23,434.56
Total equity		11,02,086.88	7,89,261.85
Liabilities			

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	10,01,202.45	6,94,545.99
(ii) Other non-current financial liabilities	16	93,224.05	50,186.44
(b) Long-term provisions	17	2,079.77	1,456.77
(c) Other non-current liabilities	18	39,802.14	32,242.34
Total non-current liabilities		<u>11,36,308.41</u>	<u>7,78,431.54</u>
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	6,800.71	-
(ii) Trade payables	20		
a) Total outstanding dues to micro and small enterprises		-	-
b) Total outstanding dues to parties other than micro and small enterprises		3,674.15	7,070.70
(ii) Other current financial liabilities	21	1,48,144.80	3,57,815.83
(b) Other current liabilities	22	13,448.17	10,698.81
(c) Short-term provisions	23	20,180.80	141.33
Total current liabilities		<u>1,92,248.63</u>	<u>3,75,726.67</u>
Total liabilities		<u>13,28,557.04</u>	<u>11,54,158.21</u>
Total equity and liabilities		<u>24,30,643.92</u>	<u>19,43,420.06</u>

Summary of Significant Accounting Policies 2.1
The accompanying notes form an integral part of these financial statements
As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Reg. No.: 001478N/N500005

For and on behalf of
Board of Directors of DFCCIL

Sd/-
(Sandeep Dinodia)
Partner
Membership No.: 083689

Sd/-
(Anurag Kumar Sachan)
Managing Director
DIN-8197908

Sd/-
(Naresh Salecha)
Director Finance & CFO
DIN- 843812

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

Place of Signature: New Delhi
Date: 14.08.2018

Statement of Profit and Loss for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations		-	-
II	Other income	24	12,089.15	15,138.10
III	Total income		<u>12,089.15</u>	<u>15,138.10</u>
IV	Expenses			
	(a) Employee benefits expense	25	1,053.04	-
	(b) Finance costs	26	45.25	57.28
	(c) Depreciation and amortization expense	27	277.65	255.25
	(d) Other expenses	28	7,801.06	2,999.73
	Total Expenses		<u>9,177.00</u>	<u>3,312.26</u>
V	Profit/ (loss) before exceptional items and tax (III-IV)		<u>2,912.15</u>	<u>11,825.84</u>
VI	Exceptional Items		-	-
VII	Profit/ (loss) before tax (V-VI)		<u>2,912.15</u>	<u>11,825.84</u>
VIII	Tax expense:			
	(a) Current tax		1,036.27	5,576.03
	(b) Deferred tax		57.25	(1,346.52)
	Total tax expense (IX)		<u>1,093.52</u>	<u>4,229.51</u>
IX	Profit/(loss) for the year (VII-VIII)		<u>1,818.63</u>	<u>7,596.33</u>
X	Other Comprehensive Income	29		
(A)	(i) Items that will be reclassified subsequently to statement of profit and loss		-	-
	(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
(B)	(i) Items that will not be reclassified subsequently to statement of profit and loss			
	Re-measurement gains/ (losses) on defined benefit plans		(59.87)	(26.66)
	(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		20.72	9.23
	Total other comprehensive income for the year, net of tax		<u>(39.15)</u>	<u>(17.43)</u>

(All amounts in ₹ lakhs, unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
XI	Total comprehensive income of the year, net of tax		<u>1,779.47</u>	<u>7,578.89</u>
XII	Earnings per share: (Face value ₹ 1,000 per share)	30		
	1) Basic (amount in ₹)		2.37	9.92
	2) Diluted (amount in ₹)		2.37	9.92

Summary of Significant Accounting Policies 2.1

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Reg. No.: 001478N/N500005

For and on behalf of
Board of Directors of DFCCIL

Sd/-
(Sandeep Dinodia)
Partner
Membership No.: 083689

Sd/-
(Anurag Kumar Sachan)
Managing Director
DIN-8197908

Sd/-
(Naresh Salecha)
Director Finance & CFO
DIN- 843812

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

Place of Signature: New Delhi

Date: 14.08.2018

Statement of Cash Flows for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I. Cash flow from operating activities			
Profit before tax		2,912.15	11,825.85
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation		277.65	255.25
(Profit)/Loss on sale of assets		11.50	-
Interest income on financial assets measured at amortised cost		(11,903.59)	(15,120.34)
Operating profit before working capital changes		<u>(8,702.29)</u>	<u>(3,039.24)</u>
Change in working capital:			
(Increase)/ Decrease in other financial assets		(4,042.75)	2,611.38
(Increase)/ Decrease in other assets		(921.34)	356.89
Increase / (Decrease) in other financial liabilities		12,808.01	(11,043.57)
Increase / (Decrease) in provisions		20,662.47	-
Increase / (Decrease) in other liabilities		10,309.16	29,735.62
Cash Generated / (used in) operations		30,113.26	18,621.08
Less: Income Tax Paid (net of refunds)		(4,265.62)	(6,923.55)
Net Cash generated from /(used in) operating activities		<u>25,847.64</u>	<u>11,697.53</u>
II. Cash flow from investing activities:			
Purchase of property, plant & equipments including capital work in progress & asset under development		(5,46,622.62)	(2,87,882.75)
Sale of property, plant & equipments		9.67	8.36
(Increase)/ Decrease in creditors for capital expenditures		68,362.07	11,043.57
(Increase)/ Decrease in capital advances		(1,01,535.42)	(2,28,204.06)
Net movement in other bank balances		2,14,829.74	(2,16,122.61)
Interest received		11,903.59	15,091.56
Net Cash Generated / (Used in) Investing Activities		<u>(3,53,052.97)</u>	<u>(7,06,065.93)</u>

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
III. Net cash flow from financing activities:			
Proceeds from Share Application Money		3,11,045.55	-
Fund Received/(Utilised) from MOR		(2,85,640.48)	3,11,045.55
Net proceeds/(Repayment) of Long Term Borrowings		3,13,551.70	3,74,014.78
Interest Expense Paid		(8,398.51)	(3,598.87)
Net Cash generated / (used in) Financing Activities		<u>3,30,558.26</u>	<u>6,81,461.46</u>
Net change in Cash & cash equivalents (I+II+III)		<u>3,352.94</u>	<u>(12,906.93)</u>
Cash and cash equivalents as at the beginning of the year		1,44,600.88	1,57,507.81
Cash and cash equivalents at the end of the year		<u>1,47,953.82</u>	<u>1,44,600.88</u>
Components of Cash And Cash Equivalents			
With banks - on current account and deposits with banks		1,47,953.68	94,599.73
In deposit accounts with initial maturity of 3 months or less		-	50,001.00
Cheques in hand		0.14	0.15
Total Cash and Cash equivalent		<u>1,47,953.82</u>	<u>1,44,600.88</u>

Summary of Significant Accounting Policies 2.1

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Reg. No.: 001478N/N500005

For and on behalf of

Board of Directors of DFCCIL

Sd/-
(Sandeep Dinodia)

Partner

Membership No.: 083689

Sd/-
(Anurag Kumar Sachan)

Managing Director

DIN-8197908

Sd/-
(Naresh Salecha)

Director Finance & CFO

DIN- 843812

Sd/-
(Meenu Kapoor)

Company Secretary

ACS-18954

Place of Signature: New Delhi

Date: 14.08.2018

Statement of changes in equity for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital

	Note No.	Amount
As at March 31, 2017	13	7,65,827.29
Changes in equity share capital during the year		-
As at March 31, 2018		<u>7,65,827.29</u>

B. Other equity

	Share application money pending allotment	Reserves & surplus Retained earnings	Remeasure-ment of defined benefit plans	Total
Balance at March 31, 2017	-	<u>23,456.80</u>	<u>(22.24)</u>	<u>23,434.56</u>
Changes in accounting policy / prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	-	<u>23,456.80</u>	<u>(22.24)</u>	<u>23,434.56</u>
Profit for the year	-	1,818.63	-	1,818.63
Other comprehensive income for the year	-	-	(39.15)	(39.15)
Total comprehensive income	-	<u>25,275.43</u>	<u>(61.39)</u>	<u>25,214.04</u>
Shares issued during the year	-	-	-	-
Additional share application money received during the year	3,11,045.55	-	-	3,11,045.55
Balance at March 31, 2018	<u>3,11,045.55</u>	<u>25,275.43</u>	<u>(61.39)</u>	<u>3,36,259.59</u>

Summary of Significant Accounting Policies 2.1

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Reg. No.: 001478N/N500005

For and on behalf of
Board of Directors of DFCCIL

Sd/-
(Sandeep Dinodia)
Partner
Membership No.: 083689

Sd/-
(Anurag Kumar Sachan)
Managing Director
DIN-8197908

Sd/-
(Naresh Salecha)
Director Finance & CFO
DIN- 843812

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

Place of Signature: New Delhi

Date: 14.08.2018

Notes to financial statements for the year ended March 31, 2018

Note 1: Corporate Information

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

Note 2: Basis of preparation of Financial statements

"These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 and relevant presentation requirements of the Companies Act 2013. The financial statements have been prepared in accordance with the historical cost convention except for certain financial instruments that are measured at fair value as required under relevant Ind AS. The financial statements are presented in ₹ and all values are rounded to the nearest lakhs except otherwise stated."

Note 2.1: Significant accounting policies

a) Basis of measurement

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

b) Functional and presentation currency

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

c) Use of judgments and estimates

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

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

i. Judgements

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

Leases: whether an arrangement contains a lease

Classification of leases: Classification of leases under finance lease or operating lease requires judgment with regard to the estimated economic life and estimated cost of the asset. The Company has analysed each lease contract on a case to case basis to classify the arrangement as operating or finance lease, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset.

ii. Assumptions and estimation uncertainties

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

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Useful life of property, plant and equipment and intangible assets
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

d) Current versus non-current classification

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

Assets: An asset is treated as current when it is:

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

All other assets are classified as non-current.

Liabilities: A liability is current when:

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

All other liabilities are classified as non-current.

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

Operating Cycle

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

e) Property, plant and equipment

Recognition and measurement

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognised in Profit and loss account.

Subsequent Measurement

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

Depreciation

Depreciation on property, plant and equipment is charged on pro-rata basis from/ upto the date on which the asset is available for use/ disposal.

Depreciation on property plant and equipment is provided as per Para 219 of Indian Railway Finance Code Volume I which specifies the normal life of the various classes of Railway Assets. In case a particular component of property plant and equipment is not available in the said Para 219 of Indian Railway Finance Code, then depreciation on these assets are provided on Straight Line Method using the useful life specified in Schedule II of the Companies Act, 2013 except in case of certain assets the useful life have been determined based on technical evaluation done by the management's expert which are lower than those specified by Schedule II of the Companies Act, 2013, in order to reflect the actual usage of the assets.

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

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

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

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

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

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.

g) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, cross currency interest rate swaps, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial Assets

Initial recognition and measurement

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

Classification and subsequent measurement

Classifications

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

Business model assessment

The company makes an assessment of the objective of a business model in which an asset is held at a

portfolio level because this best reflects the way the business is managed and information is provided to management.

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

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

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

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

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

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

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

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

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

Equity Instruments

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

Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired, or

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

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

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

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

Impairment of financial assets

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial Liabilities measured at amortised cost

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

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

Financial liabilities at fair value through profit or loss

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

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

Derecognition of financial liabilities

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

Modifications of financial assets and financial liabilities

Financial assets

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

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

Financial liabilities

The company derecognises a financial liability when its terms are modified and the cash flows of the

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

h) Revenue/ Other income

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

i) Foreign currency translation

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

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

j) Employee benefits

i. Short term employee benefits

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

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

ii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is

provided. The company has following defined contribution plans:

- a) Provident Fund

iii. Defined benefit plans

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

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

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

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

The company has following defined benefit plans:

- a) Gratuity

iv. Other long-term employee benefits

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

The company has following long term employment benefit plans:

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

Termination benefits

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

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

k) Borrowing Costs

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

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

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

l) Taxation

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

Current tax

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

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

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

Deferred tax

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

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

probability of future taxable profits improves.

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

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

Deferred tax assets and liabilities are offset only if:

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

m) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

n) Impairment of non-financial assets

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

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

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

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

o) Leases:**Determining whether an arrangement contains lease**

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating lease. Lease payments for assets taken on operating leases are recognized as an expense in the Profit and Loss Account over the lease term on a straight line basis except where the increment in lease rentals is in line with general rate of inflation.

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. Liquidation damages are recognised at the time of actual recovery.
- ii. Insurance claims are accounted for based on Management best assessment of the quantum of loss & coverage thereof in terms of Insurance policy. Any shortfall excess are adjusted on the settlement of claims. Claim towards loss of CWIP, for which Insurance are obtained by Contractors under the provisions of respective contract agreement, are not accounted in the books of the company.
- iii. Liabilities for goods in transit/ Capital works executed but not certified are not provided for, pending inspection and acceptance by the corporation.
- iv. Claims including price variation are accounted for on acceptance.

Recent accounting pronouncements-Standards issued but not yet effective:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 01, 2018. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 01, 2018.

Amendment to Ind AS 12 : The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The company is evaluating the requirements and its impact on the financial statements.

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Note 3 : Property, plant and equipment

Particulars	Flat (Leasehold) (Refer Note - 'b')	Machinery	Furniture and Fixtures	Office equipments	EDP assets	Leasehold premises improve- ment	Total	Capital work in progress (Refer Note - 'c')
Gross Block								
As at March 31, 2016	309.34	3.01	348.45	254.65	558.15	381.07	1,854.67	5,68,194.92
Add: Additions made during the year	-	-	78.83	66.69	213.99	38.82	398.33	3,21,997.72
Less: Disposals / adjustments during the year	-	-	(9.02)	(2.96)	(57.30)	-	(69.28)	(4,028.66)
As at March 31, 2017	309.34	3.01	418.26	318.38	714.84	419.89	2,183.72	8,86,163.98
Add: Additions made during the year	-	10.40	95.97	71.56	154.90	-	332.84	6,00,345.59
Less: Disposals / adjustments during the year	-	-	(2.22)	(4.65)	(62.19)	-	(69.05)	(10,801.00)
As at March 31, 2018	309.34	13.41	512.02	385.29	807.56	419.89	2,447.50	14,75,708.56
Depreciation and impairment								
As at March 31, 2016	6.82	0.28	55.68	43.65	172.89	79.18	358.50	-
Add: Depreciation charge for the year	10.66	0.29	77.51	62.83	193.90	71.36	416.55	-
Less: On disposals / adjustments during the year	-	-	(3.49)	(1.90)	(39.30)	-	(44.69)	-
As at March 31, 2017	17.48	0.57	129.70	104.58	327.49	150.54	730.36	-
Add: Depreciation charge for the year	10.66	0.29	64.74	56.70	183.80	79.60	395.78	-
Less: On disposals / adjustments during the year	-	-	(0.87)	(3.89)	(43.12)	-	(47.88)	-
As at March 31, 2018	28.14	0.86	193.57	157.39	468.17	230.14	1,078.26	-

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Flat (Leasehold) (Refer Note - 'b')	Machinery	Furniture and Fixtures	Office equipments	EDP assets	Leasehold premises improve- ment	Total	Capital work in progress (Refer Note - 'c')
Net book value								
As at March 31, 2018	281.20	12.55	318.45	227.90	339.39	189.75	1,369.24	14,75,708.56
As at March 31, 2017	291.86	2.44	288.56	213.80	387.35	269.29	1,453.36	8,86,163.98
As at March 31, 2016	302.52	2.73	292.77	211.00	385.26	301.89	1,496.17	5,68,194.92

- a) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment and capital work in progress as its deemed cost as at the date of transition.
- b) Lease Deed in respect of Flat amounting to ₹ 309.34 lakhs as at March 31, 2018 (March 31, 2017 : ₹ 309.34 lakhs) is yet to be executed in favour of the Company. There are no future minimum lease payments outstanding with respect to said finance lease. Further, there are no contingent rents recognized as an expense during year ended March 31, 2018 and March 31, 2017.
- c) Capital Work in Progress mainly comprises track, earthwork, bridges and other electrical equipment. Further, as per Ind AS - 23 Borrowing Cost, ₹ 43,781.93 lakhs (March 31, 2017 : ₹ 17,002.03 lakhs) have been capitalized to capital work in progress during the year.

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Note 4: Other Intangible Assets

	Licenses/ Softwares	Total	Intangible Assets under development
At Cost			
<u>GROSS BLOCK</u>			
As at March 31, 2016	194.44	194.44	989.54
Add: Additions during the year	1.51	1.51	141.22
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2017	<u>195.95</u>	<u>195.95</u>	<u>1,130.76</u>
Add: Additions during the year	44.70	44.70	-
Less: Disposals / adjustments during the year	-	-	-
As at March 31, 2018	<u>240.65</u>	<u>240.65</u>	<u>1,130.76</u>
<u>AMORTISATION AND IMPAIRMENT</u>			
As at March 31, 2016	54.58	54.58	-
Add: Amortisation charge for the year	67.49	67.49	-
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2017	<u>122.07</u>	<u>122.07</u>	-
Add: Amortisation charge for the year	90.76	90.76	-
Less: On disposals / adjustments during the year	-	-	-
As at March 31, 2018	<u>212.83</u>	<u>212.83</u>	-
Net book value			
As at March 31, 2018	<u>27.82</u>	<u>27.82</u>	<u>1,130.76</u>
As at March 31, 2017	<u>73.88</u>	<u>73.88</u>	<u>1,130.76</u>
As at March 31, 2016	<u>139.86</u>	<u>139.86</u>	<u>989.54</u>

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

Note 5 : Other non-current Financial Assets

(Unsecured and considered good, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Security deposits (Refer note below)	737.61	512.44
Others advances	71.65	37.48
	<u>809.26</u>	<u>549.92</u>

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

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Note 6 : Deferred tax assets (net)

	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	2,095.84	2,132.37
	<u>2,095.84</u>	<u>2,132.37</u>

Deferred Tax/ Income Tax

A. Amounts recognised in statement of profit and loss

	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax expense		
Current year	1,036.27	5,576.03
Adjustment for change in estimates for prior period	-	-
	<u>1,036.27</u>	<u>5,576.03</u>
Deferred tax expense		
Origination and reversal of temporary differences	57.25	(1,346.52)
	<u>57.25</u>	<u>(1,346.52)</u>
Total Tax Expense	<u>1,093.52</u>	<u>4,229.51</u>

B. Amounts recognised in Other Comprehensive Income

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Remeasurements of defined benefit liability	(59.87)	20.72	(39.15)	(26.66)	9.23	(17.43)
	<u>(59.87)</u>	<u>20.72</u>	<u>(39.15)</u>	<u>(26.66)</u>	<u>9.23</u>	<u>(17.43)</u>

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

C. Reconciliation of effective tax rate

	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operations		2,912.15		11,825.84
Tax using the Company's domestic tax rate	34.6080%	1,007.84	34.6080%	4,092.69
Tax effect of amounts which are not deductible (taxable) in calculating taxable income				
Corporate social responsibility expense	1.7970%	52.33	0.5787%	68.44
Property, Plant & Equipment	-0.0916%	(2.67)	0.0000%	-
Income/ expenses capitalised since the Company is in pre-operative stage	0.7114%	20.72	0.4106%	48.56
Non-deductible expenses	0.3144%	9.16	0.1676%	19.82
Changes in estimates related to prior years	0.2107%	6.14	0.0000%	-
	<u>37.5499%</u>	<u>1,093.52</u>	<u>35.7650%</u>	<u>4,229.51</u>

D. Movement in deferred tax balances

	As at March 31, 2017	Recognized in P&L	Recognized in OCI	As at March 31, 2018
Deferred Tax Assets				
Property, plant and equipment including capital work in progress	2,132.37	(36.53)	-	2,095.84
	<u>2,132.37</u>	<u>(36.53)</u>	<u>-</u>	<u>2,095.84</u>
Deferred Tax Liabilities	-	-	-	-
	-	-	-	-
Net deferred tax asset (b)-(a)	<u>2,132.37</u>	<u>(36.53)</u>	<u>-</u>	<u>2,095.84</u>

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.

Notes to financial statements for the year ended March 31, 2018

Note 7: Non current tax assets (net)

(All amounts in ₹ lakhs, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Advance Income Tax	4,767.87	1,538.52
[Net of provision of ₹ 6,612.30 lakhs (March 31, 2017: ₹ 5576.03 lakhs)]		
	<u>4,767.87</u>	<u>1,538.52</u>

Note 8: Other non-current assets

Unsecured and considered good, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Capital advances		
- Mobilisation Advance	3,34,749.29	3,34,567.90
[Secured against hypothecation of plant and machinery in favour of DFCCIL ₹ 2,346.27 lakhs as at March 31, 2018 (March 31, 2017 : ₹ 2,346.27 lakhs)]		
- Advance for Shifting of Utilities	3,44,901.85	2,71,239.82
- Advance for ROB/RUB	46,038.88	40,809.82
- Advance for Capital Works-Others	30,642.94	28,822.07
- Interest accrued on mobilization advances & others	2,241.70	2,805.88
Prepaid expenses	2,494.30	3,005.82
Other loans and advances	21,717.76	-
	<u>7,82,786.72</u>	<u>6,81,251.31</u>

Note 9: Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017
Balance with banks:		
- In current account and flexi	1,47,953.68	94,599.73
- In deposit accounts with initial maturity of 3 months or less	-	50,608.26
Less: Interest accrued on fixed deposit presented as other financial assets	-	(607.26)
Cheque in hand	0.14	0.15
	<u>1,47,953.82</u>	<u>1,44,600.88</u>

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

Balance with banks:

- In current account and flexi	147,953.68	94,599.73
- In deposit accounts with initial maturity of 3 months or less	-	50,608.26
Less: Interest accrued on fixed deposit presented as other financial assets	-	(607.26)
Cheque in hand	0.14	0.15
	<u>1,47,953.82</u>	<u>1,44,600.88</u>

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Note 10 : Other bank balances

	As at March 31, 2018	As at March 31, 2017
In deposit accounts	-	216,615.24
Less: Interest accrued on fixed deposit presented as other financial assets	-	(1,615.24)
Earmarked balances with banks	3,559.67	3,389.41
Deposits with original maturity of more than 3 months but less than 12 months*	416.34	416.34
	3,976.01	218,805.75

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

Note 11 : Other current financial assets

(Unsecured and considered good, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Interest accrued on fixed deposit	498.90	2,222.50
Expenditure on land acquisition - recoverable from MOR*	5,385.56	1,047.80
Expenditure on PETS survey - recoverable from MOR	1,959.52	679.81
Other recoverable	422.24	374.66
Security deposits	71.65	9.98
Employee advances	54.33	34.20
Advances to contractors/consultants	266.96	506.79
	8,659.16	4,875.74

*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 6% per annum of the Cost of Land on the date of handing over to DFCCIL. Lease rent shall commence from the date of commissioning.

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

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Note 12 : Other current assets

(Unsecured and considered good, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	685.78	588.92
Interest accrued but not due on retention money	555.52	198.36
Other loans and advances	115.54	54.29
Gold silver medallion for employees in hand	2.02	2.02
	<u>1,358.86</u>	<u>843.59</u>

Note 13 : Equity Share Capital

	As at March 31, 2018	As at March 31, 2017
Authorised:		
220,000,000* (March 31, 2017 : 80,000,000) equity shares of ₹1,000 each	2,200,000.00	800,000.00
Issued, subscribed & fully paid up:		
76,582,729* (March 31, 2017 : 76,582,729) equity shares of ₹1,000 each	765,827.29	765,827.29
	<u>765,827.29</u>	<u>765,827.29</u>

*Number of shares are presented in actual numbers.

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

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

	(Number of Shares)		(Amount in ₹ 'Lakhs')	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Balance at the begning of the year	80,000,000.00	80,000,000.00	800,000.00	800,000.00
Increase/(decrease) during the year	140,000,000.00	-	1,400,000.00	-
Balance at the end of the year	<u>220,000,000.00</u>	<u>80,000,000.00</u>	<u>2,200,000.00</u>	<u>800,000.00</u>

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

	(Number of Shares)		(Amount in ₹ 'Lakhs')	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Balance at the begning of the year	76,582,729.00	76,582,729.00	765,827.29	765,827.29
Increase/(decrease) during the year	-	-	-	-
Balance at the end of the year	<u>76,582,729.00</u>	<u>76,582,729.00</u>	<u>765,827.29</u>	<u>765,827.29</u>

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

b) Terms/ rights attached to equity shares:

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

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

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Percentage	No. of Shares	Percentage
The President of India & his nominees (Ministry of Railways)	765,827	100.00%	765,827	100.00%

Note 14: Other equity

(Unsecured and considered good, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
a) Share Application Money Pending Allotment		
Balance at the beginning of the year	-	285,560.41
Add: Share application money received from Ministry of Railways	311,045.55	-
Less: Shares issued to Ministry of Railways	-	(285,560.41)
Balance at the end of the year	<u>311,045.55</u>	<u>-</u>
Company has closing balance of ₹311,045.55 (March 31, 2017 : ₹ Nil) of Share Application Money received from Ministry of Railways as on March 31, 2018.		

b) Retained earnings

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	23,456.80	15,860.46
Add: Profit for the year after taxation as per statement of Profit and Loss	1,818.63	7,596.34
Balance at the end of the year	<u>25,275.43</u>	<u>23,456.80</u>

c) Remeasurement of defined benefit plans

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	(22.24)	(4.81)
Addition during the year	(39.15)	(17.43)
Balance at the end of the year	<u>(61.39)</u>	<u>(22.24)</u>
Total (a+b+c)	<u>336,259.59</u>	<u>23,434.56</u>

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Note 15: Borrowings

	As at March 31, 2018	As at March 31, 2017
Term loans (unsecured)		
- JICA	729,162.85	493,644.17
- IBRD	342,914.32	237,336.11
Total	1,072,077.17	730,980.28
Less: accrued interest on JICA loan (Refer note 16)	(68,529.21)	(35,133.30)
Less: accrued interest on IBRD loan (Refer note 20)	(2,345.51)	(1,300.99)
	1,001,202.45	694,545.99

Term of repayment and interest are as follows :

Loan From	Carrying Amount				
	Repayment Terms	Year of Maturity	Rate of Interest p.a.	As at March 31, 2018	As at March 31, 2017
MoR for EAP Projects JICA - 205	Refer Note (a) below	2049	7% - Fixed	17,026.25	16,138.98
MoR for EAP Projects JICA - 209	Refer Note (a) below	2050	7% - Fixed	503,963.68	381,899.33
MoR for EAP Projects JICA - 212	Refer Note (a) below	2050	7% - Fixed	9,447.36	8,745.99
MoR for EAP Projects JICA - 229	Refer Note (a) below	2053	7% - Fixed	125,571.60	67,541.70
MoR for EAP Projects JICA - 209 A	Refer Note (a) below	2050	7% - Fixed	23,489.00	14,347.29
MoR for EAP Projects JICA - 229 A	Refer Note (a) below	2053	7% - Fixed	5,487.32	4,970.88
MoR for EAP Projects JICA - 253	Refer Note (a) below	2056	7% - Fixed	44,177.63	-
MoR for EAP/IBRD Projects - 8066	Half Yearly	2033 in 30 instalments	2.18% - Variable	204,970.50	157,007.23
IBRD for EAP Projects- 8318	Half Yearly	2035 in 30 instalments	2.18% - Variable	119,884.01	67,148.85
IBRD for EAP Projects- 8513	Half Yearly	2037 in 30 instalments	2.38% - Variable	24,860.53	13,180.03
Less: accrued interest				(70,874.72)	(36,434.29)
Total (Refer note 15 & 19)				1,008,003.16	694,545.99

Notes to financial statements for the year ended March 31, 2018

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

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

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

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

The DFCCIL has entered into another Loan Agreement with the IBRD dated December 11, 2014 to avail a loan of USD 1100 Million that has been reduced to USD 910 Million vide letter dated June 30, 2017 with Loan ID-8318 IN. 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 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 DFCCIL has entered into another Loan Agreement with the IBRD dated October 21, 2016 to avail a loan of USD 650 Million with Loan ID-8513 IN. This Loan shall be utilized towards Institutional Development Activities and Design, Construction and Commissioning of 401 Kms of double track electrified railway on the Ludhiana - Khurja section of the EDFC. In this agreement the Government of India (GOI) has given Sovereign Guarantee and charges guarantee fees which has been included in note 26.

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Note 16 : Other non-current financial liabilities

	As at March 31, 2018	As at March 31, 2017
Deposits/ Retention money	24,694.84	15,053.14
Interest accrued but not due on Loan	68,529.21	35,133.30
	<u>93,224.05</u>	<u>50,186.44</u>

Note 17 : Long-term provisions

	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
- Gratuity	664.41	457.10
- Leave encashment	1,269.99	865.11
- Leave travel concession	145.37	134.56
	<u>2,079.77</u>	<u>1,456.77</u>

Note 18 : Other non-current liabilities

	As at March 31, 2018	As at March 31, 2017
Advance for ROB/ RUB*	26,397.82	25,938.00
Income received in advance	216.92	211.07
Advance received from customers against deposit work	12,640.80	5,561.52
Other advances received	546.60	531.75
	<u>39,802.14</u>	<u>32,242.34</u>

*DFCCIL is working on few ROB's on cost sharing basis which is being done in terms of MOR letter number 2007/Infra/6/8-Pt II dated 03.02.2012. As per this arrangement, sharing of cost of ROB between Railways and State Government shall be as per the principle of 50:50. Further, sharing of railways share of cost of ROB between Railways and DFCCIL will be on 50:50 basis

Note 19: Borrowings

	As at March 31, 2018	As at March 31, 2017
Term loans (unsecured)		
- IBRD	6,800.71	-
	<u>6,800.71</u>	<u>-</u>

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Note 20 : Trade Payables

	As at March 31, 2018	As at March 31, 2017
- Outstanding dues to micro and small enterprises	-	-
- Outstanding dues to parties other than micro and small enterprises	3,674.15	7,070.70
	<u>3,674.15</u>	<u>7,070.70</u>

a) Trade payables are non-interest bearing and are normally settled as per the terms of the contract.

b) Trade payables to related parties amounts to ₹ Nil (March 31, 2017 : ₹ Nil).

Note 21 : Other current financial liability

	As at March 31, 2018	As at March 31, 2017
Earnest money deposit	175.78	222.44
Employee related liabilities	1,678.90	1,878.18
Deposits/ retention money	17,864.94	3,517.04
Creditors for capital expenditure*	100,674.60	39,851.63
Funds received from MOR pending adjustment	25,405.07	311,045.55
Interest accrued but not due on loan	2,345.51	1,300.99
	<u>148,144.80</u>	<u>357,815.83</u>

*Creditors for capital expenditure includes ₹ 1,550.28 lakhs (March 31, 2017 : ₹ 220.83 lakhs) due to related parties.

Note 22 : Other current liabilities

	As at March 31, 2018	As at March 31, 2017
Advance for land (Pending for transfer to SLAO A/c)	3,559.67	3,389.41
Advance received from customers against deposit work	-	6.48
Duties and taxes payable	9,884.39	7,297.36
Income received in advance	4.11	5.56
	<u>13,448.17</u>	<u>10,698.81</u>

Note 23 : Short-term provisions

	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits (Refer note 36)		
- Gratuity	50.74	28.30
- Leave encashment	147.36	82.37
- Leave travel concession	35.80	30.66
Provision for project expenses	19,946.90	-
	<u>20,180.80</u>	<u>141.33</u>

Notes to financial statements for the year ended March 31, 2018

Note 24 : Other Income

(All amounts in ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income		
- on Flexi FDR	11,903.59	14,550.88
- on others	-	569.46
Foreign currency fluctuation gain	-	17.76
Miscellaneous income	71.34	7.53
Excess Provision Return Back	17.96	-
Application money received	20.00	23.00
Recovery on sub- lease		
Rent recovery on sub-lease	340.01	282.43
Housekeeping expenses recovered from sub-lessee	19.59	13.91
Office Security expenses recovered from sub-lessee	32.93	21.91
Electricity expenses recovered from sub-lessee	32.13	25.83
Annual maintenance charges recovered from sub-lessee	13.08	18.29
Other charges recoverable	1.38	1.39
Composite rent and facility management charges	362.99	317.48
	802.11	681.24
Less: Expenses on sub-lease		
Housekeeping expenses	17.41	12.36
Rent	340.01	282.43
Composite rent & facility management expenses	297.74	225.65
Office repair and maintenance	1.23	1.24
Office security expenses	29.27	19.48
Electricity expenses office	28.56	22.96
Annual maintenance charges	11.63	16.25
	725.85	580.37
	76.26	100.87
Other Income	12,089.15	15,269.50
Less: Transferred to development account (net of tax impact)	-	131.40
Net other income	12,089.15	15,138.10

Notes to financial statements for the year ended March 31, 2018

Note 25 : Employee benefits expense

(All amounts in ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages	11,827.12	10,908.02
Contribution to provident and other funds	430.09	357.63
Gratuity	183.18	130.01
Staff welfare expenses	383.71	378.96
	12,824.10	11,774.62
Less: Transferred to development account (refer note 31)	11,771.06	11,774.62
	1,053.04	-

Note 26 : Finance cost

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expenses on:		
EAP/JICA loan	33,395.91	18,880.69
IBRD loan	5,521.01	2,663.29
Interest on Income Tax/TDS	23.78	57.27
Interest on Other Taxes	21.47	-
Other Borrowing Cost	3,996.39	-
Other finance cost	615.37	1,689.69
Exchange differences regarded as adjustment to interest cost	253.25	(6,231.63)
	43,827.18	17,059.31
Less: Transferred to development account (refer note 31)	43,781.93	17,002.03
	45.25	57.28

Note 27 : Depreciation & Amortization Expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation - EDP assets	274.56	261.39
Depreciation - Office equipment	56.70	62.83
Depreciation - Furniture and fixture	64.74	77.51
Depreciation - Leasehold improvement	79.60	71.36
Depreciation - Leasehold flat	10.66	10.66
Depreciation - Plant and machinery	0.29	0.29
	486.55	484.04
Less: Transferred to development account (Refer note 31)	208.90	228.79
	277.65	255.25

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Note 28 : Other expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent expense	1,779.09	1,647.95
Tours, travels and conveyance	2,904.95	2,449.25
Cost of outsourced staff (placement)	691.43	581.74
Seminar and training expenses	525.77	371.50
Advertisement expenses	228.09	379.88
Housekeeping expenses	424.92	372.84
Office security expenses	201.30	199.52
Legal and professional charges	241.50	154.16
Corporate social responsibility	151.21	197.76
Communication expenses	153.12	137.77
Printing and stationary	146.28	156.59
Consultancy fees to consultants	885.05	446.91
Recruitment expenses	8.78	410.92
Electricity expenses	140.21	125.68
Repair and maintenance - others	170.18	113.12
Rates and taxes	26.15	286.88
Foundation day expense	18.37	26.88
Computer job work	79.31	44.99
Payment to statutory auditors *	13.32	15.07
Meeting and conference	63.58	63.24
Office expenses	59.16	49.33
Hospitality expenses	33.06	36.24
Foreign currency fluctuation loss	1,395.28	-
Miscellaneous expenses	3,225.30	173.69
	13,565.41	8,441.91
Less: Transferred to development account (Refer note 31)	5,764.35	5,442.18
Total	7,801.06	2,999.73

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	For the year ended March 31, 2018	For the year ended March 31, 2017
*Payment to Statutory Auditors includes :		
Statutory audit fee	8.40	8.40
Tax audit fee	1.95	1.95
Other audit fees (EDFC-I audit)	1.72	1.72
Other audit fees (EDFC-II audit)	1.00	1.00
Other audit fees (EDFC-III audit)	0.25	-
Service Tax	-	1.95
Reimbursement of expenses	-	0.05
	<u>13.32</u>	<u>15.07</u>

Note 29 : Components of Other Comprehensive Income

	For the year ended March 31, 2018	For the year ended March 31, 2017
Re-measurement gains/ (losses) on defined benefit plans	(59.87)	(26.66)
Income tax expense	20.72	9.23
	<u>(39.15)</u>	<u>(17.43)</u>

Note 30 : Earning per share

	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic earning per share		
Total profit/ (loss) for the year	1,818.63	7,596.33
Weighted average number of equity shares of ₹ 1,000 each (In lakhs)	766.68	765.83
EPS - Basic	<u>2.37</u>	<u>9.92</u>
Diluted earning per share		
Total profit/ (loss) for the year	1,818.63	7,596.33
Weighted average number of equity shares of ₹ 1,000 each (In lakhs) - Diluted	766.68	765.83
EPS - Diluted	<u>2.37</u>	<u>9.92</u>

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Note 31 : Development account (pending capitalisation)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Employees benefit expense	11,771.06	11,774.62
Finance cost	43,781.93	17,002.03
Depreciation and amortization expense	208.90	228.79
Other expenses	5,764.35	5,442.18
Total (A)	<u>61,526.24</u>	<u>34,447.62</u>
Less:		
Liquidated damages (LDA)	(2,629.43)	270.06
Interest income on retention money	507.37	-
Interest on mobilization advance	252.82	1,298.57
Interest on advance consumption deposit	24.42	32.11
Arbitration Expenses	(1,351.42)	-
Interest on advances - employees	4.71	2.42
D&G, supervision & plant estimation charges received	2.13	5.44
Security deposit/EMD forfeited	1.66	1.39
Sale of tender	18.15	30.08
Profit on sale of property, plant and equipment	(11.50)	(8.36)
Total (B)	<u>(3,181.09)</u>	<u>1,631.71</u>
Net expenditure (A-B)	<u>64,707.33</u>	<u>32,815.91</u>
Income transferred from other income	-	131.40
Total transferred to capital work in progress (CWIP)	<u>64,707.33</u>	<u>32,684.51</u>

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Note 32 : Contingent liabilities, contingent assets and commitments

A. Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹3,794,536.99 lakhs (March 31, 2017 : ₹ 3,989,915.40 lakhs)
- (ii) As per JICA loan agreement, the eligible nationality of the supplier(s) shall Japan in the case of of the prime contractor. In case where the prime contractor is a joint venture, such joint venture will be eligible provided that the nationality of the lead partner is Japan, that the nationality of the other partners is Japan and/or India and that the total share of work of Japanese partners in the Joint venture is more than fifty percent(50%) of the contract amount. The Company is comitted to follow the aforementioned loan condition.

B. Contingent Liabilities

	As at March 31, 2018	As at March 31, 2017
Claims against Company not acknowledged as debt	79,746.24	34,994.92
Other money for which the Company is contingently liable		
Disputed liability under Income Tax (refer (iii) below)	539.87	502.65
	80,286.11	35,497.57

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

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

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.

Operating Segments

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

B. Information about reportable segments

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

	Total assets			Total liabilities		
	Segment assets	Unallocated corporate assets	Total Assets	Segment liabilities	Unallocated corporate liabilities	Total liabilities
As at March 31, 2018						
EDFC	881,105.67	-	881,105.67	413,281.58	-	413,281.58
WDFC	1,156,019.68	-	1,156,019.68	760,247.23	-	760,247.23
Unallocated	-	393,518.57	393,518.57	-	1,257,115.11	1,257,115.11
Total	2,037,125.35	393,518.57	2,430,643.92	1,173,528.81	1,257,115.11	2,430,643.92
As at March 31, 2017						
EDFC	658,922.42	-	658,922.42	267,726.11	-	267,726.11
WDFC	915,839.53	-	915,839.53	537,842.42	-	537,842.42
Unallocated	-	368,658.11	368,658.11	-	1,137,851.53	1,137,851.53
Total	1,574,761.95	368,658.11	1,943,420.06	805,568.53	1,137,851.53	1,943,420.06

C. Geographic information

The Company is in construction phase and does not have any operation in economic environment with different risk and returns, hence its considered operating in single geographical segment.

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Note 34 : Leases

Operating lease

The Company's significant leasing arrangements are in respect of operating leases of premises for offices and guesthouses. These leasing arrangements, which are not non-cancellable, are typically for a period of 11 months to 5 years and are usually renewable on mutually agreeable terms.

The future Minimum Lease Payments under non-cancellable operating lease are as under:

S.No.	Minimum Lease Payments	March 31, 2018	March 31, 2017
(i)	Not later than in 1 year	715.42	688.84

Amounts recognised in profit and loss account

Particular	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent expense	2,357.40	2,156.04
Sub-lease income	340.01	282.43

Note 35 : Disclosure as required under section 22 of the micro, small and medium enterprises development act, 2006 is as follows:

Particular	As at March 31, 2018	As at March 31, 2017
Principal amount remaining unpaid to micro, small and medium enterprise	Nil	Nil
Interest accrued on principal amount remaining unpaid as (i) above	Nil	Nil
Amount of interest paid during the FY along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery/ rendering of services	Nil	Nil
Interest due but yet to be paid on principal paid during the F.Y.	Nil	Nil
Amount of further interest remaining due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure	Nil	Nil

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Note 36 : 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.

	For the year ended March 31, 2018	For the year ended March 31, 2017
Contribution to Provident Fund	430.09	357.63

(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 an unfunded 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, 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

	As at March 31, 2018	As at March 31, 2017
Net defined benefit liability		
Liability for Gratuity	715.15	485.41
Total employee benefit liabilities	715.15	485.41
Non-current	664.41	457.10
Current	50.74	28.31

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:

Defined benefit obligation

	As at March 31, 2018	As at March 31, 2017
Balance at begning of the year	485.40	324.13
Included in profit or loss		
Current service cost	147.47	110.30

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Past service credit	-	-
Interest cost (income)	35.71	24.31
	183.18	134.61
Included in OCI		
Remeasurements loss (gain)		
– Actuarial loss (gain) arising from:		
– experience adjustment	59.87	26.66
	59.87	26.66
Other		
Contributions paid by the employer	-	-
Benefits paid	(13.30)	-
	(13.30)	-
Balance at closing of the year	715.15	485.40

C. Actuarial assumptions

	As at March 31, 2018	As at March 31, 2017
a) Economic assumption		
The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).		
Discount rate	7.80%	7.50%
Expected rate of future salary increase	6.00%	6.00%
b) Demographic assumption		
Retirement age (years)	60	60
Mortality rates inclusive of provision for disability	IALM (2006-08)	
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, 2018, the weighted average duration of the defined benefit obligation was 12.85 years (March 31, 2017 : 15 years)

D. 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.

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	March 31, 2018		March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(27.84)	29.99	(18.89)	40.78
Expected rate of future salary increase (0.5% movement)	30.07	(28.13)	22.01	19.30

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

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

Pending approval of superannuation scheme by MOR in terms of Para 2(iii) of DPE OM no 2(70)/08-DPE (WC)-GL-VII/09 dated 02.04.2009, no provision has been made in the accounts towards Pension & Post Superannuation medical benefits since there is no obligating event pending approval of MOR.

(iii) Other long-term employee benefits:

a) Earned leave and half pay leave

During the year ended March 31, 2018, the Company has incurred an expense on earned leave and half pay leave amounting to ₹ 388.96 (March 31, 2017 : ₹ 302.40). The Company determines the expense and the present value of the obligation for earned leave and half pay leave as per actuarial valuation, using the Projected Unit Credit Method.

b) Leave travel concession

During the year ended March 31, 2018, the Company has incurred an expense on leave travel concession amounting to ₹ 34.51 (March 31, 2017 ₹ 52.20). 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 37 : 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 13). Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Ministry of Railways, various divisional / zonal railways under MOR, Ministry of Corporate Affairs, BSNL, IOCL, RailTel, NHAI, PGCIL, GAIL and CRWC.

Notes to financial statements for the year ended March 31, 2018

ii. Key Managerial Personnel (KMP)

Sh. A.K.Mital	Part Time Chairman (Official) (Upto August 29, 2017)
Sh. Ashwani Lohani	Part Time Chairman (Official) (w.e.f. August 30, 2017)
Sh. Adesh Sharma	Managing Director (Up to June 30, 2017)
Sh. Anshuman Sharma	Managing Director (Additional Charge Upto August 03, 2018)
Sh. Anurag Kumar Sachan	Managing Director (w.e.f. August 04, 2018)
Sh. Naresh Salecha	Chief Financial Officer
Sh. H.D. Gujrati	Director (Operations & Business Development) (Upto January 17, 2018)
Sh. Naveen Kumar Shukla	Director (Operations & Business Development) (Additional Charge) (w.e.f. January 17, 2018)
Sh. D. S Rana	Director (Infrastructure)
Sh. Sushant Kumar Mishra	Part time Official Director -Government Nominee-MOR (w.e.f. July 05, 2017)
Sh. Yaduvendra Mathur	Part-time Official -Government Nominee-Niti Aayog (w.e.f. June 08, 2017)
Sh. Ravi Mathur	Independent Director
Smt. Shakti Munshi	Independent Director
Sh. Y. S. Malik	Part time Official Director -Government Nominee-Niti Aayog (Upto June 08, 2017)
Ms. Meenu Kapoor	Company Secretary

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

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended	
		March 31, 2018	March 31, 2017
Ministry of railways & its constituent	Fund Received from MOR	275,000.00	625,300.00
	Expenditure for land acquisition		442,159.00
	Recoverable for PETS survey from MOR	1,279.71	1,293.25
	Recoverable from MOR towards land facilitation expenses	4,337.52	2,440.18
	for shifting of utilities, capital advance, rob	49,796.96	262,135.04
	Works and construction of Flats		
	Guarantee Fee	2,690.97	-
	Advance received for ROB/RUB	500.00	25,938.00
	Advance given for ROB/RUB	2,887.16	-
	Rental Income from Railway Board	439.12	-

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended	
		March 31, 2018	March 31, 2017
Ministry of Corporate Affairs	Stamp duty expense	25.00	285.57
Other entities	BSNL - For shifting of utilities & capital works	365.17	641.62
	PGCIL - For shifting of utilities & capital works	1,905.89	1,163.30
	RailTel corporation Ltd - For shifting of utilities & capital works	26.85	101.37
	NHAI - For shifting of utilities & capital works	-	9,636.96
	IOCL - For shifting of utilities & capital works	-	-
	CRWC New Delhi - For shifting of utilities & capital works	811.80	-
	GAIL - For shifting of utilities & capital works	-	-
	RDSO/LKO - shifting of utilities & capital works	0.50	
	Total	340,066.65	1,371,094.29
Remuneration to Key Managerial Personnel	a) short-term employee benefits	156.98	237.54
	b) post-employment benefits	6.88	5.61
	c) other long-term benefits	12.51	9.96
	Total	176.37	253.11
	Other expenses- legal (sitting fees)	5.61	6.67
	Total	5.61	6.67
Outstanding balances with related parties			
Ministry of Railways & its constituent	Recoverable Balances		
	Expenditure on PETS survey - recoverable from MOR	1,959.52	679.81
	Recoverable from MOR towards land facilitation expenses	5,385.56	1,566.57
	Shifting of utilities, capital advance, ROB works and construction of flats	216,206.37	168,748.44
Other entities	BSNL - shifting of utilities & capital works	1,029.57	641.62
	ONGC - shifting of utilities & capital works	10,086.00	10,086.00
	PGCIL - shifting of utilities & capital works	33,702.38	31,662.38
	RailTel corporation Ltd -shifting of utilities & capital works	1,569.74	1,596.87
	NHAI - shifting of utilities & capital works	9,636.96	9,636.96
	IOCL - shifting of utilities & capital works	12,506.53	12,506.53

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Nature of Transaction	For the year ended	
		March 31, 2018	March 31, 2017
	CRWC New Delhi - shifting of utilities & capital works	1,190.64	378.84
	GAIL - shifting of utilities & capital works	1,912.29	1,912.29
	RDSO\LKO - shifting of utilities & capital works	-	0.50
	Recoverable from other entities	2,215.47	112.33
		297,401.03	239,529.13
Ministry of Railways & its constituent	Payable Balances		
	Funds received from MOR pending adjustment	25,405.07	311,045.55
	Expenditure on land acquisition	3,559.67	3,389.41
	Advance received for ROB/RUB	26,397.82	25,938.00
	Total	55,362.56	340,372.96

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

Note 38 : Corporate Social Responsibility

- (a) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 166.51 lakhs
- (b) Amount spent during the year:

S. No.	Purpose for which expenditure incurred	Amount in Cash/ Cheque	Remarks	Total	Outstanding Amount to be Spent for FY 2017-18
(i)	Construction/ acquisition of any asset		-	-	-
(ii)	On purposes other than (i) above	0.16	Payment for eradicating hunger, poverty and promoting preventive healthcare and sanitation projects	151.21	15.30
		47.00	Payment for rural development projects		
		74.81	Payment for educational & employment enhancing vocation skills		
		29.24	Others		

Notes to financial statements for the year ended March 31, 2018

Note 39 : Financial instruments – Fair values and risk management

I. Fair value measurements

A. Financial instruments by category

(All amounts in ₹ lakhs, unless otherwise stated)

	As at March 31, 2018			As at March 31, 2017		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial assets						
Non-Current						
Other non-current financial assets (Refer Note 5)						
- Security Deposits	-	-	737.61	-	-	512.44
- Others	-	-	71.65	-	-	37.48
Current						
Cash and cash equivalents (Refer Note 9)	-	-	147,953.82	-	-	144,600.88
Bank balances other than above (Refer Note 10)	-	-	3,976.01	-	-	218,805.75
Other current financial assets (Refer Note 11)						
-Interest accrued on fixed deposits	-	-	498.90	-	-	2,222.50
-Expenditure on land acquisition - recoverable from MoR	-	-	5,385.56	-	-	1,047.80
-Expenditure on PETS survey - recoverable from MoR	-	-	1,959.52	-	-	679.81
-Other recoverable	-	-	422.24	-	-	374.66
-Security deposits	-	-	71.65	-	-	9.98
-Employee advances	-	-	54.33	-	-	34.20
-Advances to contractors/ consultants	-	-	266.96	-	-	506.79
	-	-	161,398.25	-	-	368,832.29
Financial liabilities						
Non-Current						
Borrowings (Refer Note 15 & 19)	-	-	1,008,003.16	-	-	694,545.99
Other non-current financial liabilities (Refer Note 16)	-	-	93,224.05	-	-	50,186.44
Current						
Trade Payables (Refer Note 20)	-	-	3,674.15	-	-	7,070.70
Other current financial liabilities (Refer Note 21)						

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

-Earnest money deposit	-	-	175.78	-	-	222.44
-Employee related liability	-	-	1,678.90	-	-	1,878.18
- Deposits/ retention money	-	-	17,864.94	-	-	3,517.04
- Creditors for capital expenditure	-	-	100,674.60	-	-	39,851.63
- Funds received from MoR pending adjustment	-	-	25,405.07	-	-	311,045.55
- Interest accrued but not due on loan	-	-	2,345.51	-	-	1,300.99
	-	-	<u>1,253,046.16</u>	-	-	<u>1,109,618.97</u>

B. Fair value hierarchy

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

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

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

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

As at March 31, 2018				
	Level 1	Level 2	Level 3	Total
Financial assets				
Employee advances	-	-	71.65	71.65
Total financial assets	-	-	<u>71.65</u>	<u>71.65</u>
Financial liabilities				
Borrowings	-	-	1,001,202.45	1,001,202.45
Deposits/ Retention money	-	-	24,694.84	24,694.84
Total financial liabilities	-	-	<u>1,025,897.29</u>	<u>1,025,897.29</u>

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

As at March 31, 2018				
	Level 1	Level 2	Level 3	Total
Financial assets				
Employee advances	-	-	37.48	37.48
Total financial assets	-	-	<u>37.48</u>	<u>37.48</u>
Financial liabilities				
Borrowings	-	-	694,545.99	694,545.99
Deposits/ Retention money	-	-	15,053.14	15,053.14
Total financial liabilities	-	-	<u>709,599.13</u>	<u>709,599.13</u>

Notes to financial statements for the year ended March 31, 2018

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:

(All amounts in ₹ lakhs, unless otherwise stated)

	Carrying Values		Fair Values	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Financial assets measured at amortized cost				
Employee advances	71.65	37.48	71.65	37.48
	<u>71.65</u>	<u>37.48</u>	<u>71.65</u>	<u>37.48</u>
Financial liabilities measured at amortized cost				
Borrowings	1,001,202.45	694,545.99	1,001,202.45	694,545.99
Deposits/ Retention money	24,694.84	15,053.14	24,694.84	15,053.14
	<u>1,025,897.29</u>	<u>709,599.13</u>	<u>1,025,897.29</u>	<u>709,599.13</u>

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

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

Notes to financial statements for the year ended March 31, 2018

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.

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

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

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Other receivables

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

iii. Liquidity risk

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

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

Company is in construction of freight corridor for which loan from World Bank and JICA has since been tied up. As per the extant mechanism, based on the budget estimate and fund requirement, funds are received from Ministry of Railways (MoR) towards Equity and Externally Aided Component i.e. Loan. Company keeps on meeting contractual liability from that fund and thereafter sought reimbursement from World Bank and JICA for the share of loan. Once reimbursement is received from these agencies, equivalent amount is adjusted in account of Government of India. So Company at present does have any liquidity risk.

(a) Financing arrangements

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

	As at March 31, 2018	As at March 31, 2017
Loan from JICA	1,339,087.79	879,419.90
Loan from IBRD	1,184,217.97	1,534,235.59
	<u>2,523,305.77</u>	<u>2,413,655.49</u>

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 basis the future cash projections. The loan facilities may be drawn in INR (JICA) and USD (IBRD) and have an average maturity of 33.6 years (March 31, 2017 - 33.7 years) for JICA loan and have an average maturity of 17.5 years (March 31, 2017 - 17.5 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.

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Carrying Amounts	Contractual cash flows				
	March 31, 2018	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1,008,003.16	1,008,893.47	6,800.71	13,601.41	57,557.22	930,934.14
Deposit/ retention money	42,559.78	42,559.78	26,898.54	7,224.01	8,437.23	-
Interest accrued but not due on loan - JICA	68,529.21	75,407.04	-	2,360.40	7,297.46	65,749.18
Earnest money deposit	175.78	175.78	175.78	-	-	-
Employee related liability	1,678.90	1,678.90	1,678.90	-	-	-
Trade Payables	3,674.15	3,674.15	3,674.15	-	-	-
Others payables	100,674.60	100,674.60	100,674.60	-	-	-
Funds received from MOR pending adjustment	25,405.07	25,405.07	25,405.07	-	-	-
Interest accrued but not due on loan from IBRD	2,345.51	2,345.51	2,345.51	-	-	-
Total non-derivative liabilities	<u>1,253,046.16</u>	<u>1,260,814.30</u>	<u>167,653.26</u>	<u>23,185.83</u>	<u>73,291.91</u>	<u>996,683.32</u>

	Carrying Amounts	Contractual cash flows				
	March 31, 2017	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	694,545.99	695,120.68	-	5,220.04	67,095.87	622,804.77
Deposit/ retention money	18,570.18	20,310.43	3,517.04	-	16,793.39	-
Interest accrued but not due on loan - JICA	35,133.30	35,133.30	-	-	-	35,133.30
Earnest money deposit	222.44	222.44	222.44	-	-	-
Employee related liability	1,878.18	1,878.18	1,878.18	-	-	-

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

	Carrying Amounts	Contractual cash flows				
	March 31, 2017	Total	Upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Trade Payables	7,070.70	7,070.70	7,070.70	-	-	-
Others payables	39,851.63	39,851.63	39,851.63	-	-	-
Funds received from MOR pending adjustment	311,045.55	311,045.55	311,045.55	-	-	-
Interest accrued but not due on loan from IBRD	1,300.99	1,300.99	1,300.99	-	-	-
Total non-derivative liabilities	<u>1,109,618.97</u>	<u>1,111,933.91</u>	<u>364,886.54</u>	<u>5,220.04</u>	<u>83,889.26</u>	<u>657,938.07</u>

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 use derivatives to manage market risks.

Currency risk

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

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

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Exposure to currency risk

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

	As at March 31, 2018		As at March 31, 2017	
	USD	JPY	USD	JPY
Financial liabilities				
Borrowings	348,259.83	-	236,609.81	-
Others payables	1,075.89	38,560.96	29.07	13,706.79
Interest accrued but not due on loan from IBRD	2,345.51	-	1,300.99	-
Net statement of financial position exposure	<u>351,681.23</u>	<u>38,560.96</u>	<u>237,939.87</u>	<u>13,706.79</u>

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	31 March, 2018	31 March, 2017	31 March, 2018	31 March, 2017
USD 1	64.45	67.1200	64.94	64.9852
JPY 1	0.58	0.6200	0.62	0.5849

Sensitivity analysis

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

	Profit or loss after tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2018				
USD (1% movement)	(2,299.71)	2,299.71	(2,299.71)	2,299.71
JPY (1% movement)	(252.16)	252.16	(252.16)	252.16
March 31, 2017				
USD (1% movement)	(1,555.94)	1,555.94	(1,555.94)	1,555.94
JPY (1% movement)	(89.63)	89.63	(89.63)	89.63

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company policy is to maintain most of its borrowings at fixed rate. During March 31, 2018 and March 31, 2017, 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 the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

	Nominal Amount	
	As at March 31, 2018	As at March 31, 2017
Fixed-rate instruments		
Financial liabilities	660,633.65	458,510.87
	<u>660,633.65</u>	<u>458,510.87</u>
Variable-rate instruments		
Financial liabilities	348,259.83	236,609.81
	<u>348,259.83</u>	<u>236,609.81</u>

Fair value sensitivity analysis for fixed-rate instruments

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

A change of 100 basis points in interest rates would have increased or decreased equity by following. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Equity, net of tax	
	100 bp increase	100 bp decrease
March 31, 2018		
Fixed-rate instruments	(13,725.94)	18,822.72
Fair flow sensitivity (net)	<u>(13,725.94)</u>	<u>18,822.72</u>
March 31, 2017		
Fixed-rate instruments	(8,556.07)	11,802.04
Fair flow sensitivity (net)	<u>(8,556.07)</u>	<u>11,802.04</u>

Notes to financial statements for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
March 31, 2018				
Variable-rate instruments	(2,277.34)	2,277.34	(2,277.34)	2,277.34
Cash flow sensitivity (net)	<u>(2,277.34)</u>	<u>2,277.34</u>	<u>(2,277.34)</u>	<u>2,277.34</u>
March 31, 2017				
Variable-rate instruments	(3,171.84)	3,171.84	(3,171.84)	3,171.84
Cash flow sensitivity (net)	<u>(3,171.84)</u>	<u>3,171.84</u>	<u>(3,171.84)</u>	<u>3,171.84</u>

Note 40 : Capital management

Company is in construction phase for construction of railways track for freight with equity funding from MoR and debt funding from World Bank and JICA. Considering the estimated cost, which has been approved by Cabinet Committee on Economic Affairs, Government of India, Company has definitive source of capital. Company expect to maintain adequate Capital in the Operation phase, since as per the Concession Agreement with MoR, Track Access Charges, which will be the tariff for use of tracks by authorised rail user, inter-alia includes return on equity for sustainable development of the Company.

The Company's adjusted net debt to equity ratio was as follows:

	As at March 31, 2018	As at March 31, 2017
Borrowings (Refer Note 15 & 19)	1,008,003.16	694,545.99
Trade payables (Refer Note 20)	3,674.15	7,070.70
Other non current liabilities & current liabilities (Refer Note 18 & 22)	53,250.31	42,941.15
Less: cash and cash equivalents	147,953.82	144,600.88
Net debt	<u>916,973.80</u>	<u>599,956.97</u>
	As at March 31, 2018	As at March 31, 2017
Equity share capital (Refer Note 13)	765,827.29	765,827.29
Other equity (Refer Note 14)	336,259.59	23,434.56
Total Capital	<u>1,102,086.88</u>	<u>789,261.85</u>
Capital and net debt	<u>2,019,060.68</u>	<u>1,389,218.82</u>
Gearing ratio	<u>45.42%</u>	<u>43.19%</u>

Notes to financial statements for the year ended March 31, 2018

Note 41: The Company has a system of obtaining periodic confirmation of balances from banks and other parties. There are no unconfirmed balances in respect of bank accounts and borrowings from banks & financial institutions.

With regard to payments made to JICA funded projects which are covered under 'Reimbursement Mechanism' all parties issue 'Payment Receipt' based on which JICA releases loan disbursements. Payments covered under Commitment mechanism are released directly by JICA to account of Contractors through LC Mechanism.

In both JICA and World Bank funded Contracts, payment position is indicated by parties in each bill preferred to DFCCIL which in itself is acknowledgment of funds receipt.

Apart from above, so far as trade/other payables and loans and advances are concerned, the balance confirmation letters with the negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmations', were sent to the parties. Some of such balances are subject to confirmation/reconciliation. Adjustments, if any will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

Note 42: Figures have been rounded off to nearest lakhs upto two decimals thereof, except otherwise stated.

Note 43: The financial statements of the Company for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on August 13, 2018

For S.R. Dinodia & Co. LLP.
Chartered Accountants
Firm's Reg. No.: 001478N/N500005

For and on behalf of
Board of Directors of DFCCIL

Sd/-
(Sandeep Dinodia)
Partner
Membership No.: 083689

Sd/-
(Anurag Kumar Sachan)
Managing Director
DIN-8197908

Sd/-
(Naresh Salecha)
Director Finance & CFO
DIN- 843812

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

Place of Signature: New Delhi
Date: 14.08.2018

S.R.DINODIA & Co. LLP

Chartered Accountants

K-39 Connaught Place, New Delhi-110001 INDIA

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Independent Auditor's Report

To the Members of Dedicated Freight Corridor Corporation of India Limited

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of Dedicated Freight Corridor Corporation of India Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow and the Statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of Affairs (Financial position), Profit (Financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rule issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are

free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2018 and its financial performance including other comprehensive income/(loss), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. **The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub section (5) of Section 143 of the Companies Act 2013, the compliance of which is set out in "Annexure A".**
2. 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 Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), the cash flows and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - (d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder to the extent applicable.
 - (e) as per Notification No. G.S.R. No. 463(E) dated 5th June, 2015 the government companies are exempt from the provisions of Section 164(2) of the Act, accordingly, we are not required to report whether any directors are disqualified in terms of provisions contained in the said section.
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the company

and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. On the basis of written representations received from the Management of the Company, the company has no pending litigations which could impact its financial position in its financial statements except as disclosed in Note No. 32.
 - ii. According to the information and explanation provided to us, the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The provision of transferring the amount to the Investor Education and Protection Fund is not applicable to the company.

3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure C", a statement on the matters specified in the paragraphs 3 and 4 of the Order.

For S.R.Dinodia & Co.LLP

Chartered Accountants

Firm's Registration Number: 001478N/N500005

Sd/-

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: New Delhi

Date: 14.08.2018

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 Limited on the Ind As financial statements for the financial year ended on 31st March 2018.

S. No.	Directions	Our Report
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	According to information and explanations given to us by the management, the Company does not own any land either on freehold or leasehold basis. However, the company has leasehold rights of two flats of 199.5 sqm. each, in respect of which leasehold deed is to be executed.
2	Whether there are any cases of waiver/write off of debts/ loans/interest etc., if yes, the reasons therefore and the amount involved.	According to information and explanations given to us, there are no cases of waiver/write off of debts/ loans/interest etc.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities?	The Company does not maintain any inventories. According to information and explanations given to us, the company has not received any assets as gifts/grant(s) from government or other authorities.

For S.R.Dinodia & Co.LLP

Chartered Accountants

Firm's Registration Number: 001478N/N500005

Sd/-

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: New Delhi

Date: 14.08.2018

Annexure-B to the Independent Auditor's Report of even date of the financial statement of Dedicated Freight Corridor Corporation of India Limited

Report on the Internal Financial Control 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 Limited ("the Company") as on 31" March 2018 in conjunction with our audit of the Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R.Dinodia & Co.LLP

Chartered Accountants

Firm's Registration Number: 001478N/N500005

Sd/-

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: New Delhi

Date: 14.08.2018

Annexure 'C' to the Independent Auditor's Report

The Annexure referred to paragraph 3 in Independent Auditor's Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2018, we report that:

- i) In respect of Property, Plant and Equipment:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - b) The Company has a regular programme of physical verification of its fixed assets once in three years by which fixed assets are verified. In accordance with this programme for the year, no material discrepancies were noticed on such verification. In our opinion, such periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable properties in its name except two flats on the leasehold basis amounting to ₹ 309.34 lakhs (Deemed Cost), as disclosed in the Note no. 3 to the Ind AS financial Statements, in respect of which leasehold deed is yet to be executed.
- ii) The Company has been incorporated for running and maintaining dedicated freight corridor since the railway freight corridors are under construction, it does not hold any physical inventories. Therefore, clause 3(ii) of the Order is not applicable.
- iii) According to the information and explanation given to us, the Company had not granted loans, secured or unsecured, to any of the companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014 to the current operations carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) In respect of statutory dues:

- a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax and any other material statutory dues applicable to it with the appropriate authorities. We have been informed that Employee's State Insurance Scheme, Duty of Customs and Duty of Excise are not applicable to the Company. Further, there were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, Cess and any other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there were no dues of Income Tax or Sales Tax or Service Tax or Value Added Tax which have not been deposited on account of any dispute except the following, which have not been deposited on account of dispute:

Name of the Statute	Nature of Dispute	(Amount in 'Lakhs')	Period (Assessment Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	11.89	2009-10	ITAT
Income Tax Act, 1961	Income Tax	28.27	2010-11	ITAT
Income Tax Act, 1961	Income Tax	16.67	2011-12	ITAT, New Delhi
Income Tax Act, 1961	Income Tax	142.10	2013-14	CIT (Appeal)
Income Tax Act, 1961	Income Tax	218.20	2014-15	CIT (Appeal)
Income Tax Act, 1961	Income Tax	118.06	2015-16	CIT (Appeal)
Income Tax Act, 1961	Income Tax	0.58	2009-10	ACIT-TDS
Income Tax Act, 1961	Income Tax	1.40	2013-14	ACIT-TDS
Income Tax Act, 1961	Income Tax	2.70	2014-15	ACIT-TDS

- viii) Based on our procedures & According to the information and explanation given to us by the management, the Company has not defaulted in repayment of loans & borrowing to any financial institution, bank and Government. According to the information and explanation given to us by the management, debentures is not applicable.
- ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. The term loans taken during the year were applied for the purpose for which the same has been raised.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) In view of the exemption given in terms of Notification No. G.S.R. No. 463(E) dated June 05, 2015 issued by the Ministry of Corporate Affairs; the provisions of Section 197 read with schedule V to the Companies Act, 2013 regarding managerial remuneration are not applicable to the company.
- xii) The Company is not a Nidhi Company hence the provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii) As per notification no, 463(E) dated June 05, 2015, the Government companies are exempted from

the provisions of section 188 of the Act in respect of contracts or arrangement entered into between the Government Companies. Further, according to the information and explanations given to us, the Company has complied with the provisions of Section 177 of the Act, wherever applicable, and the details have been disclosed in Ind AS financial statements as required by the applicable Indian accounting standard.

- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 and the provisions of paragraph 3(xv) of the Order are not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

For S.R.Dinodia & Co.LLP

Chartered Accountants

Firm's Registration Number: 001478N/N500005

Sd/-

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: New Delhi

Date: 14.08.2018



CONFIDENTIAL

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTORS OF AUDIT
RLY-COMMERCIAL, TILAK BRIDGE (COFMOW PREMISES),
INDIAN RAILWAYS, NEW DELHI-110002

No. PDA/RC/RPSU/13-05/DFCCIL/2018-19/77

Dt. 31.08.2018

To,
Managing Director
Dedicated Freight Corridor Corporation of India
New Delhi.

Subject:- Comments of Comptroller of 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 31st March 2018.

Sir,

I am forwarding Comments of Comptroller of 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 31st March 2018.

Receipt of the letter may be please acknowledged.

Yours faithfully

Sd/-

(B.R. Mondal)

Principal Director of Audit
(Railway Commercial)

Encls:- As Above.

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 31ST MARCH 2018.

The preparation of financial statements of DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED for the year ended 31st March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on Independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 14.08.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED for the period ended 31st March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Sd/-
(B.R. Mondal)

Principal Director of Audit
(Railway Commercial), New Delhi

Place: New Delhi
Dated: 31st August, 2018